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1941 LOSS ADJUSTMENT PROCEDURE AND ADJUSTER'S MANUAL

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UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
WASHINGTON, D. C.

Issued February 1941

FOREWORD

The success of the Federal Crop Insurance Program will depend largely upon the manner in which adjustment and settlement of losses are made. It is the hope of the Federal Crop Insurance Corporation that adjustment and settlement of losses will be handled in such a manner that every settlement is fair and just both to the insured and to the Corporation.

1941 LOSS ADJUSTMENT PROCEDURE AND ADJUSTER'S MANUAL

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SECTION I. ADJUSTMENT ORGANIZATION AND SELECTION OF ADJUSTERS

In each State, the State agricultural conservation committee, hereinafter referred to as the "State committee," will be charged with the responsibility of supervising and coordinating the adjustment work within the State. The State committee should be familiar with wheat crop conditions in all sections of the State and

the committee should be able to assist with adjustments whenever called upon to do so.

In each county, the county agricultural conservation committee, hereinafter referred to as the "county committee," will be in charge of the adjustment work in the county. In most counties a person designated by the county committee, with the approval of the State committee, will act as the adjuster of claims for losses in the county, but in counties where it appears that there will be a large number of

adjustments it may be necessary for the county committee to utilize the services of additional adjusters. A sufficient number should be chosen to handle adjustment work quickly and adequately in the event of an emergency in that county, but only in rare instances should it be necessary to select more than four additional adjusters.

For selection as an adjuster, a person should have the following qualifications:

1. He must be a farmer participating in and familiar with the general program for agriculture and should be a wheat producer living in that area and participating in the crop insurance phase of the general program;
2. He must not hold a political office or be a candidate for such office;
3. He must be a man who would not utilize the adjustment work of the Corporation as a means of promoting any other line of business;
4. He must be a man known for his integrity and have a reputation for fair dealing and honesty;
5. He must be able to understand business papers and accounts, and be able to write legibly; and
6. He must be a man respected by the farmers living within the county.

All appointments of adjusters will be made by the county committee, subject to the approval of the State committee.

SECTION II. GENERAL DESCRIPTION OF ADJUSTMENT WORK

Under a wheat crop insurance contract the insured is guaranteed a certain number of bushels of wheat, and the amount of indemnity is the number of bushels of wheat by which the insured's share of the total production for the farm is less than his insured production. A definite method for adjustment of claims is available under the wheat crop insurance program which will make possible a speedy and accurate adjustment of claims under wheat crop insurance contracts.

Adjustment work will consist in general of:

1. Inspection of the insured crop before the wheat crop or any portion thereof:
 - (a) Is removed from the farm;
 - (b) Is used other than for harvest as grain;

(c) Is harvested, if it is probable that an indemnity will be payable and the particular circumstances of the case warrant an inspection;

(d) Has other small grain seeded therein.

2. An inspection will also be made before permission is granted to put to another use land on which a wheat crop or any portion thereof is determined to have been totally or substantially totally destroyed. (This inspection is necessary on nonallotment farms as well as on allotment farms.)
3. Ascertainment of the amount of loss.

It is to be noted that the seeding of other small grain with the wheat crop is not to be considered as putting the land or crop to another use.

In connection with this work the following forms will be used:

Form FCI-108-W, "Notice of Transfer, Harvest, Removal, or Other Use of Wheat Crop."

Form FCI-160-W, "1941 Loss Adjustment Procedure and Adjuster's Manual."

Form FCI-163-W, "Inspection Report."

Form FCI-166-W, "Adjuster's Work Sheet."

Form FCI-167-W, "Statement in Proof of Loss."

Form FCI-168-W, "Wheat Yield Record for Special Practices."

Form FCI-169-W, "1941 Wheat Indemnities—Transmittal Sheet."

Form FCI-174-W, "Certificate of Indemnity."

Form FCI-174A-W, "Request for Establishment of Cash Equivalent."

Form FCI-108-W is provided for the insured to give the county committee notice of intention to make other use of the land, to harvest, to remove, or to otherwise use a damaged crop. Form FCI-108-W is to be executed by the insured in these cases and mailed or delivered to the county committee.

Form FCI-163-W will be used by the adjuster in reporting damage to the insured crop and probable production. Form FCI-166-W and Form FCI-167-W will be used to ascertain the loss under the insured's contract. Detailed

instructions for the use of these forms are set out in the following sections of this procedure.

All persons connected with adjustment work in the county should be very careful to refrain from making any statement to the insured or any other person either admitting or denying the liability of the Corporation for any claim made by the insured. Failure to observe this warning may result in considerable trouble for the Corporation in the event of litigation involving the insurance contract.

SECTION III. DUTIES OF THE COUNTY COMMITTEE

A. Preliminary to Adjustment Work.

The county committee shall be familiar with the general condition of the wheat crop in the county. The county committee shall also study intensively all provisions of the wheat crop insurance program and especially this procedure.

B. Supervision of Inspection and Adjustment Work.

Upon receipt of the first Form FCI-108-W the county committee shall immediately inform the State committee, and someone representing the State committee should assist in making the first few inspections or adjustments in the county. The county committee shall, however, always keep the State committee currently informed of any problems arising in connection with inspections and adjustments in the county.

It is the duty of the county committee to provide the adjusters in the county with all the information, forms, equipment, and other materials necessary for adjustment work. Any material taken from the office files will be charged to the adjuster and credit given him when it is returned. The county committee shall instruct the adjuster to carefully safeguard this material as the county office copies of the forms and related data must be preserved for the use of the county committee.

County committees shall see that proper farm and field identifications are furnished the adjusters. In order that controversy may be avoided in final settlement of losses, the adjusters shall be required to furnish the county committee with records, identifications, and measurements including sketches, maps, or designations on a map used in connection with the agricultural conservation program.

It is the responsibility of the county com-

mittee to see that all inspection and adjustment work in the county is performed promptly, efficiently, and honestly. The county committee will assign cases for inspection and adjustment to the adjusters, will check their reports, and will approve or disapprove all appraisals of yields and all Forms FCI-167-W.

No adjuster shall be assigned to the investigation, adjustment, or settlement of a claim involving a farm in which the adjuster has any interest, including interest through ownership operation, or family relationship. Likewise, no adjuster shall be assigned to any inspection or adjustment in connection with an insurance contract where the county committee believes that the adjuster may be prejudiced either in favor of or against the insured.

SECTION IV. DUTIES OF THE ADJUSTER

The adjuster shall have a thorough knowledge of the provisions of the wheat crop insurance program.

The adjuster shall be under the immediate supervision of, and directly responsible to, the county committee. He shall receive work assignments from, and make reports to, the county committee.

The adjuster shall make all inspections, appraisals, and reports strictly in accordance with this procedure. When this procedure does not cover an adjustment problem, or its meaning is not clear, the adjuster shall ask the county committee for instructions on the point and shall carefully follow the instructions which are given.

As previously set out in this procedure, the adjuster shall never, under any circumstances, make any statement to the insured or to any other person admitting or denying the liability of the Corporation for any claim. Also, as previously stated, the adjuster shall not investigate, adjust, or settle a claim involving a farm in which he has any interest, including interest through ownership, operation, or family relationship. Likewise the adjuster shall not handle an inspection or adjustment where he may be prejudiced either in favor of or against the insured.

The adjuster shall furnish the county committee with identifications and measurements, including sketches, maps, or designations on maps used in connection with the agricultural conservation program. In some cases it may be necessary to draft a rough sketch of a farm in order to identify divided fields.

SECTION V. INSPECTION OF THE INSURED CROP AS PROVIDED ON FORM FCI-108-W, "NOTICE OF TRANSFER, HARVEST, REMOVAL, OR OTHER USE OF WHEAT CROP"

Upon receipt of Form FCI-108-W indicating that the insured crop has been damaged and that the insured wishes to remove or make other use of the land or crop, the county committee shall refer Form FCI-108-W to an adjuster who shall visit the farm and inspect the insured crop. The time of inspection should be influenced by the date upon which the insured wishes to remove or to make other use of the land or crop. If Form FCI-108-W indicates that the damaged crop is to be harvested, the case shall be referred to an adjuster for inspection, if the county committee determines that the loss is due to an uncommon or unusual situation which is not widespread over the particular area. In all cases the insured must give the county committee a reasonable time in which to make the inspection and every effort should be made to inspect the farm prior to the date requested. It is important that notice be submitted by the insured since it is required under sections 60 and 61 of part VI of the regulations.

The adjuster should make a report of his inspection on Form FCI-163-W as provided for in section VII of this procedure.

If the adjuster determines that the entire insured crop is totally destroyed, the insured shall prepare Form FCI-167-W. If requested by the insured, the adjuster may assist in the preparation of Form FCI-167-W. This form shall be prepared and executed in accordance with the instructions in section VII of this procedure. If the adjuster determines that the entire insured crop has been substantially totally destroyed, the adjuster *shall not* assist in the preparation of Form FCI-167-W until some other use is made of the land or crop, or the crop is harvested.

If the entire insured crop has been totally destroyed by causes insured against such as hail, flood, etc., there is no serious problem for the adjuster since the production of wheat for the farm will be zero.

If the crop has not been totally destroyed but has been damaged to such an extent that the farmers generally in the area where the farm is located would not further care for the crop for wheat production, section 62 of part VI of the regulations provides that the crop shall be

deemed to have been substantially totally destroyed. This rule must be strictly applied by the adjuster and the county committee since it is for the protection of both the insured and the Corporation. In cases of substantially total destruction of the entire wheat crop, it is necessary to appraise the yield of the wheat not destroyed, and to count this wheat as production in computing the amount of loss under the insurance contract. Obviously if the appraised yield is relatively high in comparison with the adjusted average yield, the crop shall not be considered as substantially totally destroyed. It is very difficult to appraise wheat early in the growing season, and since the amount of indemnity payable may be based upon this appraisal, such appraisal work assumes unusual significance. All appraisals shall be made in the manner described in section VI of this procedure.

The foregoing discussion of total and substantially total destruction of the entire insured crop assumes that the cause or causes of such destruction are insured against under the insurance contract. Where the cause or causes of such destruction are not insured against, there is, of course, no indemnity payable under the insurance contract, and in cases of substantially total destruction of the crop, by reason of causes not insured against, there is no necessity for appraising the yield. If more than one cause contributes to the destruction of the entire insured crop and one or more of the causes are insured against and one or more of the causes are not insured against, it will be necessary to determine the amount of damage attributable to the causes insured against. The method in which this is to be done is explained more in detail in section VII of this procedure in connection with the preparation and execution of forms. In all cases where it is found that damage to a wheat crop is due to causes not insured against, the adjuster should include such findings as a part of his narrative report.

If the adjuster finds that a portion of the insured crop has been totally destroyed, or has been substantially totally destroyed, he shall indicate on Form FCI-163-W the acreage of the crop so destroyed. If the acreage of such portion of the crop has not been measured separately, a very careful estimate should be made by check measurement, comparison with aerial photographs, maps, etc., at the time of the inspection of the crop.

In those cases where the insured requests the

consent of the Corporation to put a portion of the acreage of the insured crop to some other use and the adjuster finds that this portion of the wheat crop on such acreage has been totally destroyed, or has been substantially totally destroyed, he shall make his recommendations in the space provided therefor on Form FCI-163-W. In such cases the adjuster, with the assistance of the insured, or the person caring for the crop, shall appraise the yield of such portion of the crop. This appraised yield, when approved by the county committee, shall be considered as the production from such acreage and shall be reported on Form FCI-167-W in computing the total production for the farm. Of course, if the insured does not put this acreage to another use, and later the actual yield realized therefrom differs from the appraised yield, the actual yield instead of the appraised yield will be used in determining the total production for the farm. It is to be noted that the seeding of other small grain with the wheat crop is not to be considered as putting the land or crop to another use.

In those cases where permission is given the insured to plant a mixture with wheat determined to be substantially totally destroyed, the production therefrom for determining the loss shall be the amount of wheat produced in the mixture. If because of drilling, disking, or by using some other means of tillage it is determined that the final yield is lessened, the number of bushels by which the production for the acreage in question is decreased because of such operations will be included in the entry to be made in item 9 of part II of Form FCI-167-W. In the event that other small grain is seeded in the growing insured wheat crop, with the consent of the Corporation, determination of loss, if any, will not be made until the mixed grain crop is harvested or otherwise disposed of. It is to be noted that the seeding of other small grain with the wheat crop is not to be considered as putting the land or crop to another use.

If the county committee, after considering the recommendations of the adjuster, cannot approve the request of the insured that he be permitted to put the insured acreage to another use, the insured shall be immediately notified that the permission of the Corporation has not been granted. This notification in writing shall be forwarded to all persons having wheat-crop insurance with respect to the wheat crop being grown on the particular farm.

If the county committee approves the recom-

mendations of the adjuster, the insured shall be immediately informed of such action by a written notification. This notification shall be forwarded to all persons having wheat crop insurance with respect to the wheat crop being grown on the particular farm and shall contain the following information:

1. State and county code number;
2. Numbers of all applications on the farm;
3. The insured's name and address;
4. The statement: "The Federal Crop Insurance Corporation has approved your request to put the following acreage to other use subject to the provisions of your insurance contract";
5. Field letter or number, acreage, appraised yield per acre;
6. Signature and date of signature of county committeeman.

The original shall be mailed to the insured and the carbon copy placed in the county files.

Ascertainment of Amount of Loss.

Form FCI-166-W and Form FCI-167-W are provided for the purpose of ascertaining the amount of loss under the insurance contract. The amount of loss for which a claim is to be made will be obtained by the proper preparation and execution of these forms. In cases of total or substantially total destruction of the entire insured crop, from causes insured against, Form FCI-167-W may be prepared immediately after such destruction. In most cases, however, this form will not be used until after threshing. Consequently, it is important that the provisions of this procedure are followed.

If the insured and the adjuster cannot agree upon the amount of loss to be claimed on Form FCI-167-W, the adjuster shall transmit to the county committee the partially completed forms and a statement reporting the case fully and explaining the reasons for the failure to agree. At this time the adjuster shall provide the insured with a set of adjustment forms necessary for preparing the statement in proof of loss in order that a separate Form FCI-167-W can be submitted by the insured, independent of the adjuster, to the county committee. This Form FCI-167-W, executed by the insured, will furnish a record for further determination of the amount of loss claimed by the insured.

The county committee may assign another adjuster to the case or take such other steps as are necessary to properly adjust the loss as provided in this procedure.

If an agreement cannot be reached, the original and one copy of all papers prepared by the adjuster and the insured including reports of all attempts at adjustment in connection with the case shall be forwarded to the State office.

SECTION VI. APPRAISAL

Where it will be necessary to make appraisals of yields, the appraised yield will be considered as the actual yield for the purpose of computing the amount of loss, if any, unless the actual yield differs from the appraisal in which case the actual yield shall be used. The adjuster should, therefore, be very careful in making his appraisal and should, as previously stated, take into consideration any damage to the crop due to a cause not insured against. When appraisals are made during the growing season the adjuster should remember that if other use is made of the land or crop, the Corporation is relinquishing its opportunity to determine the actual yield. Consequently, he must assume that the most favorable growing conditions will prevail from the time of appraisal to the time of harvest.

1. Early in the Growing Season.

It is ordinarily difficult to appraise a yield early in the growing season. However, substantial total destruction of a crop or portion thereof will occur only when such crop or portion thereof is so badly damaged that farmers generally in the area would not further care for the crop, or portion thereof. This, therefore, eliminates the necessity for widespread use of early appraisals and simplifies the work where appraisal becomes necessary.

2. Late in the Growing Season.

In some cases it will be necessary to make appraisals late in the growing season when the wheat is out of the boot. In these cases the size of the heads and the number of grains per head can be determined and thus a more accurate appraisal of the probable yield may be made.

3. At Harvesttime.

In connection with the final adjustment and settlement of loss when the wheat crop has matured, there may be cases in which the insured does not wish to harvest or thresh the crop or a portion thereof. In appraising such

crop or portion thereof, a study of the actual harvested yields of other fields may be used as a guide.

4. Appraisals Affected by Local Conditions and Possibilities for Salvaging Wheat.

In making appraisals of the potential yield of a crop, or portion thereof, the adjuster should take into consideration the general practices in the area with respect to feeding, cutting for hay, harvesting, and threshing. Where the insured can salvage some of the crop by feeding, cutting for hay, etc., such salvage determined, in terms of bushels of wheat, shall be the appraisal.

SECTION VII. PREPARATION AND EXECUTION OF FORMS

General.

Fractional units in acres and yields shall be rounded in accordance with the provisions of section 101 of part X of FCI-Regulations 101-W, "1941 Wheat Crop Insurance Regulations," and paragraph G of section I of Form FCI-111-W, "County Application Procedure."

A. Form FCI-163-W, "Inspection Report."

General: Form FCI-163-W is for use by the adjuster in reporting his inspection of the insured wheat crop, but need not be executed if, as a result of inspection, adjustment of loss is made and Form FCI-167-W is executed.

Form FCI-163-W should be prepared and the consent of the Corporation shall be obtained before the wheat crop or any portion thereof:

1. Is removed from the farm.
2. Is used other than for harvest as grain.
3. Has other small grain seeded therein.

Form FCI-163-W will also be prepared and the consent of the Corporation shall be obtained before other use is made of land on which a wheat crop or any portion thereof is determined to have been totally or substantially totally destroyed. (This inspection is necessary on nonallotment farms as well as on allotment farms.)

The consent of the Corporation need not be obtained before a damaged crop is harvested where a loss is probable. However, Form FCI-108-W should be prepared by the insured in every case where the wheat crop or any portion thereof is harvested and it is probable that there will be a loss under the insurance contract. Form FCI-163-W shall be prepared

only in those cases where the county committee determines that an inspection is necessary because the loss is due to an uncommon or unusual situation, which is not widespread over the particular area.

The original and one copy of Form FCI-163-W shall be executed by the adjuster for a farm and the original shall be filed in the county office. The carbon copies shall be transmitted to the State office on Monday of each week, except in the case of the first inspections for a county, when Form FCI-163-W should be sent to the State office as soon as the form is completed.

Case 1: If inspection is made because the insured has requested permission to make other use of the damaged crop or other use of the land, Form FCI-163-W shall be executed in all columns of part I, and in part II, if the adjuster recommends approval of the insured's request. In such cases the adjuster will inspect only the damaged fields which the insured has requested permission to put to other use. In the case of nonallotment farms, permission to put land to other use, when such land is in excess of permitted acreage, shall be granted only if the condition of the wheat to be left for harvest is at least equal to the average condition of all the wheat on the farm.

Case 2. If the inspection is made because the insured intends to harvest, or remove the crop, then only part I shall be executed. In such cases the adjuster's report shall include all the fields on the insured farm. The adjuster should obtain any information that will be helpful in making the final determination of the amount of loss such as the place where the threshed wheat will be stored and the amount of old wheat on the farm.

Preparation of Form FCI-163-W.

Enter in the upper right-hand corner in the spaces provided therefor the State and county code number and the numbers of all applications on the farm.

Enter in the upper left-hand corner in the spaces provided therefor the name and address of the insured requesting the inspection.

PART I.

Enter on the line provided the reason for inspection. This should correspond to the farmer's request on Form FCI-108-W and will be one or more of the following or similar explanations:

- (1) The insured requested permission to make other use of the land.
- (2) The insured has harvested the insured crop and intends to move the crop from the farm before threshing.
- (3) The insured requested permission to make other use of the crop before harvest. (Such as for hay, pasture, etc.)
- (4) Loss is apparent under the insurance contract and the insured requests inspection before harvest.

Column 1: "A. C. P. Field Letters or Numbers."

Enter in this column the letters or numbers for each field inspected. The number or letter should be that used to designate the field under A. C. P.

Column 2: "Acreage."

Enter in this column the acreage of each field listed in column 1.

Columns 3 and 4. "Revised Fields Where Necessary to Subdivide."

Where a request has been made to put a portion of a field to another use, the identifying number or letter as assigned by the adjuster and the acreage of the part of the field to be so used shall be indicated in columns 3 and 4. A careful estimate of the acreage entered in column 4 shall be made, in every case using a separate line for each field. It may be necessary at this time to prepare a rough sketch of the farm if other maps are not available upon which identification can be made.

Column 5: "Probable Yield Per Acre."

Enter in column 5 the probable yield per acre for each field shown in column 1, or if divided the probable yield for fields shown in column 3.

Column 6: "Causes of Damage."

Enter in column 6 the causes of damage. This column has been divided into two lines for each field to provide for two causes of damage for each field. Report all the causes of damage, both causes insured against and causes not insured against.

Column 7: "Approximate Date of Damage."

Enter in column 7 the approximate date of the causes of damage which are shown in column 6.

Column 8: "Intended Use."

Indicate in column 8 the intended use of the fields indicated.

PART II.

Part II will be used only in cases of total or substantially total destruction of the insured crop on fields or parts of fields upon which the insured asks permission to make other use and upon which the adjuster recommends approval.

Column 1: "Field Number or Letter or Revised Field Number or Letter."

Enter in this column the field letter or field number from column 1 of part I unless the field has been subdivided in which case the field letter or number from column 3 of part I will be entered.

Column 2: "Acreage."

Enter in column 2 the acreage applicable for the field designated in column 1, part II.

Column 3: "Appraised Yield Per Acre."

Enter in column 3 the appraised yield per acre for the totally or substantially totally destroyed field designated in column 1 of this part. The adjuster in making this appraisal will be guided by instructions in section VI, "Appraisal."

Column 4: "County Committee Disposition."

The county committee will enter in this column their acceptance, rejection, or correction of the adjuster's recommendations, and a member of the county committee will sign and date in the space provided therefor.

Adjuster's Narrative Report.

Any further information with respect to the inspection may be entered by the adjuster in the narrative report on the reverse side of Form FCI-163-W.

The adjuster shall furnish on the original and the copy of Form FCI-163-W, in the space provided on the reverse side, a full and complete report of all facts that in his opinion have contributed to the damage of the insured crop.

Upon completion of the form the adjuster shall sign in the space provided and enter the date of signature.

B. Form FCI-166-W, "Adjuster's Work Sheet."

Form FCI-166-W is for use by the adjuster in arriving at the net quantity of threshed wheat produced from the 1941 crop. The original and one copy of Form FCI-166-W shall be executed by the adjuster. The original Form FCI-166-W shall be attached to the county office copy of Form FCI-167-W, and the copy shall be attached to and submitted with the State office copy of Form FCI-167-W.

In the upper right-hand corner in the space provided therefor enter the State and county code numbers and the numbers of all applications on the farm.

ITEM 1. "FARM-BINNED WHEAT."

For each bin either on or off the farm in which wheat from the 1941 crop is stored the information indicated in columns (a) to (l), inclusive, shall be reported. All dimensions listed must be actual measurements, not estimates. The measurements of the wheat must be inside bin measurements and must be taken very accurately.

Column (a): The bin number should be shown in column (a), such number (or letter) to be assigned by the adjuster.

Columns (b) and (c): If the bins are rectangular, report the length and width in columns (b) and (c), respectively. If the bins are round, report the diameter in column (b). It may frequently be necessary to use columns (b) and (c) for rectangular bins and column (b) for round bins on the same form.

In this case, care should be used in entering the correct measurements in feet and decimals (tenths) opposite the bin numbers to which the measurements apply.

Column (d): The adjuster should be sure that the wheat in the bin is level before measuring the depth. If wheat from the 1941 crop is stored in a bin which also contains wheat from a previous crop, the depth of the wheat to be reported in column (d) shall be the depth of the wheat from the 1941 crop. If allowance is given for old wheat in the bin, the adjuster shall very carefully determine the amount of old and the amount of new wheat in the bin.

Column (e): The entry in this column shall be determined by using one of the following computations, whichever is applicable:

1. In the case of rectangular bins, the entry shall be computed by multiplying the length (column (b)) by the width (column (c)) by the height of the wheat (column (d)).
2. In the case of round bins, the entry shall be computed by multiplying the square of the inside diameter (column (b)) by 0.7854 (one-fourth of pi 3.1416) and multiplying the product by the height of the wheat (column (d)). (Formula $D^2 \times 0.7854 \times H =$ cubic feet.) Where there is a mixture of wheat and other grain threshed, the volume of the mixture in gross cubic feet shall be entered in column (e).

Column (f): The amount of space occupied by chutes, ventilator, studs, crossties, etc., which take up space included in the over-all measurements of the wheat, expressed in terms of cubic feet, shall be entered in column (f). If the bin or granary has a round ventilator, the volume of the ventilator will be computed by using the formula set forth in item 2 under column (e) and using the outside diameter of the ventilator.

Column (g): The deduction, if any, in column (f) shall be subtracted from the entry in column (e) and the remainder should be entered in column (g).

Column (h): Multiply the entry in column (g) by 0.8 and enter the product in column (h).

Column (i): The adjuster shall insert in this column the test weight of the wheat in the bin. If test weight equipment is available to the adjuster at the time of inspection, he shall make tests of the weight of the wheat in each bin at the time of inspection. If test weight equipment is not available to the adjuster at the time of inspection, he shall take samples from each bin and determine the test weights of wheat in the different bins later, when the equipment is availa-

ble to him. Extreme care should be exercised by the adjuster to be sure that the sample he takes is representative of all the wheat from the 1941 crop stored in the bin. Likewise, he shall carefully designate the samples to correspond to the bin numbers. If wheat is in a mixture with other grains or contains recognizable dockage, the test weight should be determined on the basis of the test weight of *only* the *wheat* in the mixture unless determination of the net bushels of wheat is to be made by the alternate method given on page 10 of this procedure.

Column (j): The adjuster shall enter in this column the gross bushels by weight contained in the bin. This entry shall be obtained by multiplying the entry in column (h) by the test weight factor for the test weight shown in column (i). These factors are set forth in the table entitled "Table of Correction Factors to Convert Gross Bushels to Net Bushels" found in the appendix.

It should be noted that even though the entry in column (i) is the test weight, the entry in column (j) is determined by multiplying the entry in column (h) by the test weight factor and not by the test weight.

Column (k): Ordinarily, there will not be any deductions to report in this column. In some areas, however, under some circumstances, deductions may be made for foreign material or dockage in the wheat. In those areas in which it is customary to make deductions from the sales price of wheat because of foreign material or dockage contained in the wheat, there should be no entry in this column. Where other small grain has been seeded with the wheat crop with the consent of the Corporation or the wheat in the bin contains an excessive amount of foreign material and it has been determined that deduction for such other grain or foreign material should be made, such deductions should be reported in this column. Care should be exercised not to enter deductions in column (k) where deductions will be made, such as in the case of item 4, "Wheat sold," and probably in the case of item 2, "Bulk wheat in com-

mercial storage," and item 3, "Sacked wheat," if dockage was considered in the sample. No deduction for dockage should be made from the wheat reported in item 5. Ordinarily deductions for foreign material or dockage will be made only in those areas where it is customary to sell wheat on a clean wheat basis, because it is only in those areas that a similar deduction was taken into account in computing the premium rate of the insurance and otherwise preparing the actuarial data used in that area.

If a deduction is to be entered in this column it will be necessary to determine the percentage of the *volume* which is wheat and the percentage of the *volume* which is dockage. It is suggested that this determination may be made by the use of calibrated test tubes. It must be remembered that this determination must be made on the basis of *volume* and *not* on the basis of *weight*.

The entry in column (k) shall be determined by multiplying the entry in column (j) by the percentage of the mixture that is foreign material or dockage.

Column (l): The deduction in column (k), if any, shall be subtracted from the entry in column (j) and the remainder should be entered in this column.

Alternate method of determining the net bushels of wheat in a bin: In those areas in which it is customary to make sales of wheat on the basis of net bushels after deduction for dockage has been made and the actuarial data have been based on the net bushels of wheat produced, it is believed that this alternate method of making determination of the net bushels of wheat in a bin may be preferable.

Column (i): The adjuster shall insert in this column the test weight of the *mixture* in the bin.

Column (j): The adjuster shall enter in this column the gross bushels, by weight, contained in the bin. This figure shall be obtained by multiplying the entry in column (h) by the test weight appearing in column (i) and dividing the product by 60.

Column (k): If a deduction is to be entered in this column, it will be necessary to determine the percentage by weight of

the amount of dockage contained in the mixture.

The entry in this column shall be determined by multiplying the entry in column (j) by the percentage of the mixture that is foreign material or dockage.

Column (l): The deduction, if any, in column (k) shall be subtracted from the entry in column (j) and the remainder entered in this column.

Under this alternate method, the test weight factor set forth in the table found in the appendix shall not be used, as the adjustment for test weight has already been accomplished.

In the spaces provided, enter the location and bin numbers (as reported in column (a)) of the bins which are not located on the insured's farm in which wheat is stored.

ITEM 2. "BULK WHEAT IN COMMERCIAL STORAGE."

Enter in this item the names and addresses of the elevators in which wheat is stored, together with the net bushels stored in each elevator.

ITEM 3. "SACKED WHEAT (ON FARM OR IN OTHER STORAGE)."

Item 3 is for the purpose of reporting all wheat which has been sacked whether the sacked wheat is stored on the farm or off the farm. Enter in subitem (a) the location of the sacked wheat; enter in subitem (b) the total number of sacks; enter in subitem (c) the number of sacks in sample weighed. If the sacked wheat has all been weighed, the net bushels of wheat should be entered in subitem (g) of column (l). If some of the sacked wheat has already been weighed, the part weighed may be used as a sample. If none of the sacked wheat has been weighed, then a number of sacks of wheat shall be weighed and the average gross weight of each sack obtained. A sufficient number of sacks should be weighed so that the average gross weight of the sacks, determined from such weighing, will be representative. Enter in subitem (d) such average gross weight. Enter in subitem (e) the average weight of the empty sacks including dockage, if any, per sack. In some States standard weight deductions for sacks are prescribed. In

these States the prescribed weight shall, of course, be used. In other States the recognized weight of the sack shall be employed, or in the case of sacks which are not of standard weight in the community, a representative weight shall be obtained by taking the average weight of a representative number of sacks. Subtract the figure appearing in subitem (e) from that appearing in subitem (d) and insert the result in subitem (f). Multiply the total number of sacks shown in subitem (b) by the average net weight of wheat per sack in sample shown in subitem (f); divide the product by 60 pounds and insert the result in subitem (g), which will represent the total bushels of sacked wheat.

ITEM 4. "WHEAT SOLD TO."

Item 4 is for reporting the name and address of the person or persons to whom the wheat has been sold and the number of bushels.

ITEM 5. "WHEAT ALREADY USED FOR FEED, SEED, ETC."

The adjuster shall make a careful check to be sure that there is reported in this item all threshed wheat which has previously been used for feed, seed, flour for home use, or any other use which has been made of the wheat for consumption on the farm by the persons living thereon or by livestock.

ITEM 6. "WHEAT NOT REPORTED IN ITEMS 1 TO 5, INCLUSIVE."

Report in this item all wheat threshed from the 1941 crop which is not otherwise reported in items 1 to 5, inclusive. There should be reported in this item wheat which has been piled, whether the piles are on the farm or off the farm. If piled wheat is reported in this item, there should be attached to this form a sketch of the pile or piles of wheat which are reported, showing the measurements of the pile or piles and the method used in computing the net bushels. In this connection, reference is made to detailed instructions for computing net bushels found in the appendix. Any wheat combined and sacked but destroyed within 120 hours thereafter is not to be counted in production, but any salvage from such wheat damaged within that time shall be entered in item 6. In case any wheat is removed from the farm,

damaged, or destroyed after threshing (or if combined and field sacked, after 120 hours after combining), an estimate or other determination should be made of the total of such wheat so damaged, destroyed, or removed, and such amount shall be included in the entry to be made in item 6.

ITEM 7. "NET QUANTITY OF THRESHED WHEAT."

This item is the total of column (l) in items 1 to 6, inclusive. The amount of wheat reported in this item will be used in the first item on Form FCI-167-W.

ITEM 8. "DATE OR DATES WHEN THRESHING WAS COMPLETED."

Generally, the threshing of wheat on the farm is continuous from day to day until completed, and in such cases the date of threshing should be the date on which the threshing was completed. If, however, a portion of the crop was threshed a considerable time in advance of the threshing of the rest of the crop, then the final date of both periods of threshing should be inserted. If a part of the wheat was combined and part of the wheat was threshed, then the date of the completion of the combining as well as the date of the completion of the threshing should be inserted, together with a notation indicating which date refers to completion of threshing and which date refers to completion of combining.

ITEM 9. "THRESHERMAN'S REPORT."

If there is any uncertainty as to any of the data in items 1 to 7, inclusive, the adjuster may find it desirable to verify the other sources of information by comparison with the records made by the thresherman or combine-operator, if such records are readily available and are considered dependable. In such cases, insert the acres and bushels shown by such reports in item 9.

At the bottom of the form in the spaces provided, the adjuster shall date and sign the form.

Any additional information that the adjuster may have which might be helpful to the county committee in certifying to Form FCI-167-W shall be inserted by the adjuster on the reverse side of Form FCI-166-W in the space provided.

C. Form FCI-167-W, "Statement in Proof of Loss."

General: If a loss is claimed, the insured shall submit Form FCI-167-W to the Corporation at the office of the county committee. In accordance with the terms of the insurance contract, this Form FCI-167-W shall be submitted not later than 30 days after threshing, but in no event later than November 15, 1941, unless such time is extended in writing by the Corporation.

An original and three copies of Form FCI-167-W shall be prepared, dated, and signed by the insured and the adjuster. If requested by the insured, the adjuster shall assist in the preparation of Form FCI-167-W. The last copy of Form FCI-167-W shall be left with the insured, the original and one copy shall be signed by the county committee and forwarded to the State office, and the remaining copy shall be signed and filed in the county office. The State office will forward the original Form FCI-167-W to the branch office for payment.

A set of Forms FCI-167-W shall be prepared by the adjuster and submitted to the county committee in those cases where:

1. The insured is an absentee landlord, or
2. The insured is not present at the time of determination of the loss, but all the necessary information can be obtained by the adjuster, or
3. The adjuster and the insured cannot agree. If the adjuster and the insured cannot agree, a set of Forms FCI-167-W should also be furnished to the insured in order that he might set forth his claim on Form FCI-167-W and forward this form to the county office.

In no event should the adjuster assist in the preparation of Form FCI-167-W in those cases where all or a part of the wheat crop is substantially totally destroyed and permission has been given to put the land or the crop to some other use, until such other use has been made of the land or crop.

Form FCI-167-W shall not be forwarded to the State office unless Form FCI-119-W, "Notice of Seeding," has previously been forwarded to the State office or is being forwarded with Form FCI-167-W.

Preparation of Form FCI-167-W.

Indicate the State and county code and the

numbers of all applications on the farm in the spaces provided.

Enter the name and address of the insured.

The name of the insured should agree with the name appearing on Form FCI-112-W and Form FCI-119-W.

If the insured is deceased, incompetent, or has disappeared, and a fiduciary is acting on behalf of the insured, the name of such fiduciary and his designation shall be inserted.

If the insured dies, becomes incompetent, or disappears and his interest in the crop remains part of his estate, payment of any indemnity amounting to 500 bushels or more will be made only to his legal representative in accordance with section 84 of part VIII of the 1941 Wheat Crop Insurance Regulations.

Where there is a complete transfer of interest in the crop and Form FCI-121-W has been executed and approved by the county committee on behalf of the Corporation, the name of the insured shall be the name of the transferee appearing on Form FCI-121-W.

Where there was a partial transfer of interest in the insurance contract as indicated by Form FCI-121-W, one Form FCI-167-W shall be executed by the transferor and another Form FCI-167-W by the transferee, showing the respective interests in the insurance contract.

Enter the number of the insurance contract for which Form FCI-167-W is being submitted and the adjusted average yield, the insured percentage, and the insured's interest in the crop for such insurance contract as shown by Form FCI-119-W. In the case of a partial transfer of interest of the insured's contract, the information shown on Form FCI-121-W shall be used in arriving at the insured's interest in the wheat crop.

PART I.

NOTE.—The acreage seeded with the intention of harvesting as grain will be the acreage determined by the Agricultural Adjustment Administration to have been seeded to wheat except that it will not include volunteer or self-seeded wheat, succotash, or true-type winter wheat seeded in the spring.

Item 1.—Enter in item 1 the total bushels of wheat threshed on the farm and the acreage from which such wheat was threshed. This item will include all wheat threshed from any acreage seeded for harvest as grain, acreage seeded for harvest as hay, and for soil conservation purposes. This item will not include

wheat production from acreage which was planted for succotash or production from volunteer or self-seeded wheat or true-type winter wheat seeded in the spring.

This item will also include wheat threshed from any acreage seeded to wheat for harvest as grain which was substantially totally destroyed but on which, with the consent of the Corporation, other grain was seeded with the wheat crop.

The acreage from which wheat was threshed will be entered in the acreage column except that any acreage, in excess of the acreage allotment or permitted acreage, seeded for harvest as hay, and soil conservation purposes, and from which wheat was threshed and included in the total production will be entered to the left of the acreage column and circled. This is necessary in order that the total of the acreage column shown in item 16 will equal the seeded acreage shown in column B of part II of Form FCI-119-W.

This item will also include wheat threshed from acreage which the Corporation consented might be put to another use, but which was not put to another use by the insured, and an actual yield was realized therefrom.

Item 2.—Enter in item 2 the total bushels of wheat from any acreage which was not threshed but which was otherwise harvested as grain. This item will include the total appraised production from any acreage seeded for harvest as grain, seeded for harvest as hay, and seeded for soil conservation purposes which after maturity is harvested but is not threshed. This item will not include wheat otherwise harvested from acreage planted for succotash, volunteer or self-seeded wheat, or true-type winter wheat seeded in the spring. Harvest includes any severance of the wheat such as cutting with any machine or pasturing with livestock or poultry.

The acreage from which wheat was harvested and was not threshed will be entered in the acreage column except that any acreage, in excess of the acreage allotment or permitted acreage, seeded for harvest as hay, or soil conservation purposes, and from which wheat was otherwise harvested but was not threshed will be entered separately to the left of the acreage column and circled.

This is necessary in order that the total of the acreage column in item 16 will equal the seeded acreage indicated in column B of part II of Form FCI-119-W.

This item will also include appraised wheat

production from any acreage harvested as grain but not threshed from any acreage seeded to wheat for harvest as grain which was substantially totally destroyed but on which, with the consent of the Corporation, other grain was seeded with the wheat crop.

This item will also include appraised wheat production from any acreage harvested as grain but not threshed from acreage which the Corporation consented might be put to another use, but which was not put to another use by the insured, and an actual yield was realized therefrom.

Item 3.—Enter the production for the farm by adding the bushel entries in items 1 and 2.

PART II.

Item 4.—Enter in this item the appraised production and the acreage seeded with the intention of harvesting as grain which was not harvested or threshed but was left standing in the field. This item will not include any production or acreage which was not seeded for harvest as grain. (For the method of determining the appraised production, see section VI, Appraisal.)

Item 5.—Enter in this item the appraised production and the acreage seeded with the intention of harvesting as grain, which was substantially totally destroyed and put to another use with the consent of the Corporation. This item will not include any acreage or production except that which was seeded for harvest as grain. Any excess over the permitted acreage on nonallotment farms which was put to another use with the consent of the Corporation shall not be considered as acreage seeded for harvest as grain.

The acreage for this item will agree with that shown on the office copy of the memorandum upon which the county committee has approved the insured's request to put the acreage to another use, unless the insured did not make other use of all the approved acreage, in which case the acreage entered in this item will be the acreage actually put to other use by the insured. The production entered in this item will be the appraisal on the memorandum of approval multiplied by the acreage actually put to other use.

Item 6.—Enter in this item the acreage which was seeded with the intention of harvesting as grain which was totally destroyed. The production from such acreage being zero, the amount has already been printed in the form.

The acreage upon which the production is zero will always be entered in this item. There may be an adjustment in production from this acreage under items 7 to 14 of part II of this form.

Item 7.—Enter in this item for the acreage seeded with the intention of harvesting as grain which was not reseeded in areas and under circumstances where it is customary to reseed, a number of bushels equal to the quantity of wheat by which the actual production is less than the product of (1) such acreage, (2) the adjusted average yield, and (3) the insured percentage.

If such acreage, added to any acreage which is not required to be reseeded, is in excess of the acreage used for computation of premium the acreage figure to be used in computing this production shall be that necessary to make the total acreage seeded for harvest as grain equal to that used for the computation of premium.

Item 8.—Enter in this item for the acreage seeded with the intention of harvesting as grain for which there was a complete failure in yield due to causes not insured against, or because the land or crop was put to some other land use or crop use without the consent of the Corporation, a number of bushels equal to the appraised reduction in production due to such causes or due to the land or crop being put to another use without consent of the Corporation. In no event shall such appraised reduction in production be less than the product of (1) such acreage, (2) the adjusted average yield, and (3) the insured percentage.

Item 9.—Enter in item 9 the appraised reduction in the production from all acreage seeded for harvest as grain which has been damaged by reason of causes not insured against. The appraised reduction in production shall represent the amount by which the production was lowered on any acreage by causes not insured against regardless of whether or not the actual yield on such acreage was less than the adjusted average yield.

Adjusters should use this item for appraisal of reduction in production as shown above for cases such as:

1. Failure of the insured to properly prepare the land for seeding.
2. Failure to care for the crop to and including harvesttime.
3. Damage to the growing crop resulting from the practices used by the insured in seeding a mixture.

Item 10.—Enter in item 10 the acreage in which the insured's interest has been terminated before the crop is harvested, (1) by means of a voluntary transfer, or (2) by process of law, where the person or persons succeeding to the insured's interest in such acreage failed to carry out the provisions of the insured's contract insofar as it relates to such acreage. The production for this item shall be the product of such acreage, the adjusted average yield and the insured percentage, or the actual production from such acreage, whichever is the greater.

Item 11.—Enter in item 11 for the acreage seeded with the intention of harvesting as grain on land of poorer average quality for the production of wheat than the average quality of the land seeded to wheat on the farm during the base period, where such seeding is not the result of a regularly established rotation, a number of bushels equal to the product of (1) such acreage, (2) the insured percentage, and (3) a quantity of wheat representing the difference between the adjusted average yield and the yield per acre appraised on the basis of the quality of land so seeded. This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause.

Item 12.—Enter in item 12 for the acreage seeded with the intention of harvesting as grain for which the risk to the Corporation has been increased by reason of the seeding of a different class of wheat than the class of wheat considered in establishing the adjusted average yield, a number of bushels equal to the product of (1) such acreage, (2) the insured percentage, and (3) a quantity of wheat representing the difference between the adjusted average yield and the yield per acre appraised on the basis of the class of wheat seeded. This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause.

Item 13.—Enter in item 13 for the acreage seeded with the intention of harvesting as grain for which the risk to the Corporation has been increased by reason of following different fertilizer or farming practices than those considered in establishing the adjusted average yield, a number of bushels equal to the product of (1) such acreage, (2) the insured percentage, and (3) a quantity of wheat representing the difference between the adjusted average yield and the yield per acre appraised on the basis of the fertilizer or farming practices followed. This

adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause.

Item 14.—Enter in item 14 for the acreage seeded with the intention of harvesting as grain, which is insured on the basis of irrigation (except where irrigated and nonirrigated yields have been established for the farm) and on which the necessary irrigation water was not applied or was not applied at the proper time or in the proper manner, a number of bushels equal to the appraised reduction in production due to any such cause. This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause. No adjustment shall be made if no water was available for irrigation purposes on the farm because of natural causes or if the amount of irrigation water available was insufficient, due to natural causes, for all the irrigated crops and the amount of water available was distributed among the irrigated crops so that as large a proportion of the acreage in the wheat crop was protected by irrigation water as the acreage of other crops under irrigation on the farm.

A natural cause is one arising from nature, such as insufficient rainfall or snowfall, and should not be construed to include a loss due to defects or failure of the irrigation system such as: mechanical defects of irrigation pumps or wells, or failure of diversion headgates, irrigating laterals or irrigating ditches.

If the loss in yield is due to mechanical defects or irrigation pumps or wells or failure of diversion headgates, irrigating laterals or irrigating ditches, the county committee shall attach a memorandum to Form FCI-167-W setting forth a complete statement of facts with respect to these defects or failure of the irrigating system. This statement of facts shall indicate whether or not the failure of the irrigation system is due to neglect of the insured and if the cause of damage was beyond the control of the insured, the name of the person or persons responsible for the failure or defect of the irrigation system shall be specified. This memorandum shall be signed by a member of the county committee and approved by a representative of the State committee before the related Form FCI-167-W is submitted to the branch office. This

statement is necessary in order that the Corporation may determine whether an assignment of rights of recovery should be obtained from the insured in accordance with section 103, "Subrogation," of part X of the 1941 Wheat Crop Insurance Regulations.

Item 15.—Enter in item 15 the sum of the bushel column of part II of this form.

Item 16.—Enter in item 16 the total bushels representing the production appearing in items 3 and 15. Enter the total of the acreage entries appearing in the column headed "acreage" for items 1 to 6, inclusive. The total acreage appearing in item 16 shall equal the measured acreage shown in column B of part II of Form FCI-119-W.

PART III.

Item 17.—Enter in item 17 the total insured production for the insurance contract.

This item should correspond with the total insured production for the insurance contract as shown in column G of part II of Form FCI-119-W.

If the acreage shown in item 16 of Form FCI-167-W does not agree with the measured acreage shown in column B of part II of Form FCI-119-W, the correct measured acreage must be determined, as the acreage column in item 16 must reflect the actual measured acreage. In the event that the measured acreage shown in column B of part II of Form FCI-119-W is not correct, a Form FCI-119-W, plainly marked "CORRECTED" immediately above the words "Notice of Seeding," shall be prepared in accordance with section XV of Form FCI-111-W, "County Application Procedure."

Item 18.—Enter in item 18 the insured's interest in the total production for the farm. This item shall be the product of the bushel entry shown in item 16 times the insured's interest in the crop as shown in the box heading of this form.

Item 19.—Enter in item 19 the result obtained by subtracting item 18 from item 17. This item is the amount of loss claimed by the insured.

PART IV.

Items 20, 21, and 22.—Enter in items 20, 21, and 22 the primary, secondary, and other contributing cause or causes of damage. A list of the various causes of damage has been incorporated in the appendix for the guidance of the

adjusters. In the spaces provided enter the cause of damage, the estimated percentage of contribution of each, and the approximate date of loss. The total of the column headed "Estimated Percentage Contribution" will always total 100.

In case there has been damage caused by the act of a person or persons, the cause of damage and percentage of contribution will be entered and a memorandum shall be prepared in triplicate; giving the facts in the case and the name of the person or persons responsible for the damage. This memorandum shall be signed by the adjuster and the original attached to the original Form FCI-167-W and the duplicate attached to the State office copy of Form FCI-167-W when they are forwarded to the State office. The triplicate copy of this memorandum shall be attached to the county office copy of Form FCI-167-W.

PART V

Item 23.—This item is to be used by the insured to indicate his choice of settlement. Enter in the box to the right of the item a check (✓) to indicate the insured's preference of settlement as follows:

- (a) Check this item if immediate settlement in the cash equivalent is chosen.
- (b) Check this item if a deferred settlement is selected. The insured shall not be permitted to change the choice of settlement shown in item 23 after Form FCI-167-W has been forwarded to the State office.

If the insured indicates in item 23 that a deferred settlement is desired, the Corporation will issue a certificate of indemnity to the insured. This certificate may be used:

- (1) To establish the cash equivalent of the indemnity by executing the certificate and returning same to the branch office. The cash equivalent will be established on the basis of the prices in effect on the date the certificate is received in the branch office or the expiration date specified for establishment of the cash equivalent whichever is earlier. This expiration date shall be either the last date for the securing of loans made available by the Commodity

Credit Corporation or 90 days from the date of issuance of the certificate whichever is later.

The amount of the cash equivalent shall be computed by deducting from the basic market price, prior to the application of the price differential, an amount per bushel based on the length of time elapsing between the date that the indemnity is approved for payment and the date the cash equivalent is established. These deductions shall be at the rate of $\frac{1}{2}\text{¢}$ per bushel for each 15-day period or fraction thereof after the first 14 days which shall be free. The period for computing this deduction shall begin with and include the day following the date on which the Form FCI-167-W is approved by the Corporation and shall end with and include the date on which the prices used in computing the cash equivalent are based. However, if any of these dates fall on other than a business day, the date of the next following business day shall be used.

- (2) To secure a loan made available by the Commodity Credit Corporation. All such loans will be made in accordance with instructions issued by the Commodity Credit Corporation. However, if the certificate of indemnity indicates that a Form FCI-120-W was in effect at the time of issuance a loan cannot be secured until Form FCI-120-W is released and the county committee so indicates by certifying to this effect in the space provided on the certificate. If the insured desires to liquidate such loan at any time during the period of the loan, the cash equivalent of such indemnities will be established on the basis of prices in effect on the date that request of the insured that the cash equivalent be established is received in the branch office. Such cash equivalent will be established only if it is sufficient to liquidate the loan and charges in connection therewith. The amount of the cash equivalent will be computed in the

same manner as that outlined in (1) above.

- (3) To secure a warehouse receipt if wheat is available. Advice as to whether or not wheat is available shall be forwarded to the county committee and upon request shall be furnished to the insured. Where an indemnity is paid in wheat, payment shall be made in the form of a warehouse receipt representing flat wheat of the number of bushels approved by the Corporation as the amount of loss or of such portion thereof as the insured may request, and of the basic class and grade specified for the payment of the premium for the insurance contract, or its equivalent in wheat of any other class, grade, or quality, as determined by the Corporation. However, in any case where the indemnity or any portion thereof is paid in wheat, a deduction will be made of a number of bushels equal in value to the deduction that would have been made under subsection (a) of section 73 of the 1941 Wheat Crop Insurance Regulations, as amended, had the indemnity been paid in the cash equivalent. In the event only a portion of the indemnity is paid in wheat, payment of the balance of the indemnity will be effected by the issuance to the insured of a new certificate of indemnity representing such balance. Settlements under this subsection will be made only if the request of the insured is received by the Corporation prior to the expiration date of the certificate of indemnity.

In no instance will payment be made until the original Form FCI-174-W is surrendered to the Corporation.

Item 24.—This item is provided for the signature of the insured claiming indemnity and the date of signature.

All signatures and evidence of authority relative thereto shall be handled in accordance with the procedure of the county agricultural conservation association as outlined in Form ACP-16,

"Instructions on Signatures and Authorizations."

In those cases where the county committee is not absolutely certain that the person signing Form FCI-167-W has authority to act, the evidence of authority shall be obtained by the county committee and filed in the county office.

Those cases involving death, incompetency, or disappearance of the insured shall be handled in accordance with section 84 of part VIII of the regulations.

Item 25.—This item is provided for the signature and date of signature of the adjuster. The adjuster should not sign this form before the insured has signed, except where the adjuster prepares and signs a separate set of Forms FCI-167-W, in those cases where the insured and adjuster cannot agree. As the signature of the adjuster in this item constitutes his approval of the loss claimed by the insured in item 19, the adjuster should not sign the Form FCI-167-W prepared by the insured in those cases where the insured and adjuster cannot agree.

Item 26.—This item is provided for the insertion of the amount of the unliquidated collateral assignment and the signature of a member of the county committee. If Form FCI-120-W, "Collateral Assignment," has been executed in connection with the insurance contract and the indebtedness due the assignee has not been fully liquidated, the original Form FCI-120-W shall accompany Form FCI-167-W.

The signature of the county committeeman in this item constitutes:

1. Certification that the signature appearing in item 24 has been affixed by the insured, or if the signature has been affixed by a person who signs as fiduciary or agent, if any, that such fiduciary or agent has authority to act in the capacity shown.
2. Approval of the amount of the unliquidated collateral assignment (if an amount is shown, Form FCI-120-W must be attached to Form FCI-167-W), and
3. Approval of the claim for loss on behalf of the county committee for the county in which the loss is claimed.

Where two or more crop insurance farms in two or more counties have been combined into

one farm for purposes of the agricultural conservation program, Form FCI-167-W shall be approved by the county committee for the county in which the combined farm is considered to be located for ACP purposes. A member of the county committee shall not sign item 26 unless items 24 and 25 have been signed by the insured and the adjuster, respectively. *In no event shall the signature of a member of the county committee be affixed to Form FCI-167-W, in those cases where all or a part of the wheat crop is substantially totally destroyed and permission has been given to put the land or crop to some other use, until such other use has been made of the land or crop.*

Item 27.—This item is for use by the State committee and shall be left blank.

SECTION VIII. SPECIAL PRACTICES

Where special practices are being followed, or where a farm contains both irrigated and non-irrigated land, or where the farm includes summer-fallow land, or where the insurance covers any combination of winter, spring, or durum wheat, it will be necessary to prepare an original and two copies of Form FCI-168-W to be submitted with Form FCI-167-W. On the Form FCI-168-W there shall be shown the acreage and bushels of wheat produced under each of the farming practices followed.

Preparation of Form FCI-168-W.

Enter in the upper right-hand corner in the space provided therefor the State and county code number and the numbers of all applications on the farm.

Enter the name and address of the insured.

Enter the number of the insurance contract for which Form FCI-168-W is being submitted.

Enter the farming practice being followed immediately below the words "Farming Practice."

The line numbers listed in part I and part II of Form FCI-168-W agree with the items listed in part I, part II, and part III of Form FCI-167-W.

The following information shall be inserted on Form FCI-168-W for both the totals and the data applicable to each practice:

Items 1 and 2.—Enter the acreage and production for the corresponding items shown on Form FCI-167-W.

Item 3.—Add the bushels shown in items 1 and 2 and enter the resulting production for the farm in item 3.

Items 4 to 14.—Enter the acreage and production for the corresponding items shown on Form FCI-167-W.

Item 15.—Add the bushels shown in items 4 to 14, inclusive, and insert the resulting adjusted total production for the farm in item 15.

Item 16.—Add the bushels shown in items 3 and 15 and enter the resulting adjusted total production for the farm in the bushels column in item 16. Add the acreage appearing in items 1 to 6, inclusive, and insert the resulting acreage for the farm in item 16. This shall be the acreage seeded to wheat both as to each farming practice and the total acreage. The total acreage and production in item 16 of Form FCI-168-W must agree with the total acreage and production shown in item 16 of Form FCI-167-W.

Furthermore, the acreage in item 16 should agree with the measured acreage shown on Form FCI-119-W. Where the measured acreage in column B of part II of Form FCI-119-W is not correct, either for the total or for each farming practice, a corrected Form FCI-119-W shall accompany the related Form FCI-167-W.

Item 17.—Insert the entry appearing in item 17 of Form FCI-167-W in the last column of item 17 of Form FCI-168-W. Insert the insured production for each farming practice as shown in column G of part II of Form FCI-119-W or the corrected Form FCI-119-W, as the case may be.

Item 18.—Compute the adjusted total production for the contract by multiplying each bushel entry in item 16 by the insured's interest in the crop shown in the block heading at the top of Form FCI-167-W.

Item 19.—Determine the loss for the contract for each farming practice by deducting the bushels shown in item 18 from the bushels shown in item 17 and insert the result in item 19.

The total of each of the items listed on Form FCI-168-W shall agree with the corresponding entries on Form FCI-167-W.

These computations shall be made with respect to each farming practice and also with respect to the total.

Enter in part III, "Causes of Damage," the farming practice and the cause of damage, the estimated percentage contribution, and the approximate date of loss, listing the primary, secondary, and other contributing causes, for each practice.

It shall be ascertained that the information relative to causes of damage as set forth in part III of Form FCI-168-W agrees with the data relative to causes of damage set forth in part IV of Form FCI-167-W.

Where there are more than two special practices on the farm, it will be necessary to prepare an additional Form FCI-168-W, inserting the total for all practices on one of these Forms FCI-168-W.

SECTION IX. FORM FCI-169-W, "1941 WHEAT INDEMNITIES—TRANSMITTAL SHEET."

It is essential that Forms FCI-167-W be completed and transmitted to the respective State offices as soon as possible after a loss is claimed by the insured as the insurance contract provides that Forms FCI-167-W shall be submitted not later than 30 days after threshing, but in no event later than November 15, 1941, unless such time is extended in writing by the Corporation. Form FCI-169-W shall accompany Forms FCI-167-W when they are transmitted to the State office for forwarding to the branch offices of the Corporation.

Where Form FCI-167-W is submitted to the county office later than 30 days after threshing or later than November 15, 1941, as the case may be, a memorandum signed by the county committee shall be submitted with Form FCI-167-W indicating the reason for the delay.

Forms FCI-167-W submitted to the county office, if acceptable, shall be listed and transmitted daily on Form FCI-169-W in the proper numerical order by application number for all Forms FCI-167-W being submitted with the related Forms FCI-169-W, even though one or more Forms FCI-167-W are not signed by both the insured and the adjuster.

In preparing Form FCI-169-W, where acceptable Forms FCI-167-W are being submitted to the State office in connection with landlord and tenant applications for the same farm, the "T" application number shall be listed first and the "L" application number shall be listed on the next succeeding line.

In those cases where the insured and the adjuster cannot agree on the amount of loss and separate Forms FCI-167-W have been prepared by the insured and the adjuster, each Form FCI-167-W shall be listed on Form FCI-169-W followed by a notation in column D, "Remarks," to indicate that separate forms

FCI-167-W are being submitted by both the insured and the adjuster.

Preparation of Form FCI-169-W.

The county committee shall prepare the original and three copies of Form FCI-169-W, inserting the following information:

1. The State and county code.
2. The transmittal sheet number.

Each transmittal sheet shall be numbered consecutively beginning with "1" for the first transmittal sheet (Form FCI-169-W) for each county.
3. The date of preparation of Form FCI-169-W.
4. In column A, in numerical order, the application numbers of the related Forms FCI-167-W.
5. In column B the name of the insured as shown on Form FCI-167-W.
6. In column C the amount of loss claimed by the insured as shown in item 19 of part III of Form FCI-167-W.

In those cases where a separate Form FCI-167-W is submitted by the insured and the adjuster, the entry in column C for the Form FCI-167-W signed by the insured shall be circled and shall not be included in the total of column C. The entry in column C for Form FCI-167-W approved by the county committee shall be included in the total.
7. In column D a notation to indicate that Form FCI-167-W was submitted by both the insured and the adjuster, where separate Forms FCI-167-W have been prepared.
8. Column C shall be totaled, but the total shall not be carried forward from one Form FCI-169-W to the next succeeding Form FCI-169-W.

Circled entries appearing in column C of Form FCI-169-W shall not be included in the total figure to be entered at the bottom of column C.
9. A member of the county committee shall indicate his approval of Form FCI-169-W by signing in the space provided.

SECTION X. CERTIFICATE OF INDEMNITY

Form FCI-174-W, "Certificate of Indemnity," and Form FCI-174A-W, "Request for Establishment of the Cash Equivalent."

A. Preparation of Form FCI-174-W and Form FCI-174A-W.

Form FCI-174-W and Form FCI-174A-W will be prepared in the branch office and forwarded to the insured.

B. Use of Form FCI-174-W to Obtain Cash Equivalent of the Indemnity.

The Form FCI-174-W may be used to establish the cash equivalent of the indemnity. This may be accomplished by the insured signing in the space provided and forwarding this form to the branch office issuing same. The cash equivalent of the indemnity in such cases shall be established on the basis of the price in effect on the date the request is received in the branch office or the expiration date, whichever is earlier.

C. Use of Form FCI-174-W as Security for a Commodity Credit Corporation Loan.

Form FCI-174-W may also be used as security for a loan made available by the Commodity Credit Corporation in accordance with instructions issued by it. In those instances in which it is indicated that a lien exists by reason of an outstanding Form FCI-120-W, loans cannot be made until a release of such collateral assignment is secured. When such release is secured the county committee shall complete the certification contained on this form in the box immediately below that provided for the signature of the insured. Other liens indicated on this form will be liquidated insofar as is possible, from the proceeds of the loan.

D. Liquidation of Commodity Credit Corporation Loan.

In those instances in which a loan has been obtained on the security of the original of Form FCI-174-W and the insured wishes to establish the cash equivalent in order to liquidate the loan, the Form FCI-174A-W must be completed by him and transmitted to the branch office at any time during the period of the loan. In such instances the cash equivalent of the indemnity will be established on the basis of the prices in effect on the date the Form FCI-174A-W is received in the branch office. How-

ever, such cash equivalent will be established and paid only if the amount to be so paid is sufficient to liquidate the indebtedness existing because of the loan. If the amount of the cash equivalent is not sufficient to liquidate the indebtedness, Form FCI-174A-W will be returned to the insured.

In those instances in which the cash equivalent is to be established for the purpose of liquidating a loan, the original Form FCI-174-W will be surrendered by the lending agency directly to the Corporation and it will be necessary only for the insured to sign Form FCI-174A-W and transmit same to the branch office.

E. Exchange of Form FCI-174-W for Warehouse Receipt.

Where the insured wishes to obtain a warehouse receipt for all or a portion of the number of bushels shown on Form FCI-174-W and the county committee has advised the insured that wheat is available, Form FCI-174-W shall be signed by the insured in the space provided on Form FCI-174-W for such signature. However, the following notation shall be placed above the signature of the insured on Form FCI-174-W: "I request a warehouse receipt for ----- bushels of the indemnity shown above." Where the payment requested by warehouse receipt is less than the total amount of the indemnity, revised Form FCI-174-W will be prepared by the branch office, showing the remaining indemnity, in bushels, which is payable to the insured.

F. Lost or Destroyed Forms FCI-174-W.

During the 1940 Crop Insurance Program if Form FCI-74, Wheat-1940, was lost or destroyed, the insured could secure settlement of his indemnity through use of the county office copy of Form FCI-74, Wheat-1940. However, attention is called to the fact that even though the cash equivalent of the indemnity may be established upon the receipt of the Form FCI-174A-W in the branch office, payment of the indemnity will not be made until the *original* Form FCI-174-W is surrendered to the branch office.

In the event a certificate is lost or destroyed a duplicate-original of Form FCI-174-W will be issued by the branch office upon receipt of a request from the insured setting forth the facts and a certification by the county committee to the effect that the Form FCI-174-W, origi-

nally issued, has not and will not be approved by them as collateral for a loan.

SECTION XI. SUPPLEMENTAL AND SUSPENDED FORMS FCI-167-W.

A. Supplemental Forms FCI-167-W.

If after Form FCI-167-W has been transmitted to the State office, it is necessary to make any material changes on Form FCI-167-W, such revision should be accomplished by the preparation of a supplemental Form FCI-167-W or the preparation of Form FCI-102-W, "Agreement."

In those cases where the amount of the loss claimed by the insured in item 19 of Form FCI-167-W represents the total claim for the insured, and the insured is requesting additional payment, it will *not* be necessary to prepare a supplemental Form FCI-167-W. However, if the amount of loss claimed by the insured, as shown in item 19 of Form FCI-167-W does not include all or a portion of the supplemental claim, and the insured is requesting additional payment, a supplemental Form FCI-167-W *shall be* submitted by the insured and listed on Form FCI-169-W in accordance with the procedure outlined below.

B. Suspended Forms FCI-167-W.

Forms FCI-167-W suspended by the State office will be transmitted to the county office accompanied by a memorandum outlining the necessary corrections or revisions.

C. Supplemental Forms FCI-169-W.

The county committee shall list all supplemental or suspended Forms FCI-167-W on a Form FCI-169-W plainly marked "Supplemental" before transmitting such forms to the State office. In preparing Form FCI-169-W for supplemental or suspended Forms FCI-167-W no transmittal sheet number shall be entered in the space provided at the top of Form FCI-169-W, but the transmittal sheet number upon which the original Form FCI-167-W was listed shall be inserted in the column headed "Remarks."

The distribution of the supplementary Forms FCI-167-W and the supplementary Forms FCI-169-W is to be made in accordance with paragraphs D and F of section XII of this procedure.

SECTION XII. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-108-W, "Notice of Transfer, Harvest, Removal, or Other Use of Wheat Crop."

Original executed by the insured and sent to the office of the county committee.

B. Form FCI-163-W, "Inspection Report."

Original (white) retained in the county office files.

Copy (green) forwarded to the State office.

C. Form FCI-166-W, "Adjuster's Work Sheet."

Original (white) attached to county office copy of Form FCI-167-W, and retained in the county office files.

Copy (green) attached to the State office copy of Form FCI-167-W, and forwarded to the State office.

D. Form FCI-167-W, "Statement in Proof of Loss."

Original (white) forwarded to State office for transmittal to the branch office.

Copy (green) forwarded to the State office.

Copy (salmon) retained in the county office files.

Copy (yellow) given to the insured.

Form FCI-167-W, "Statement in Proof of Loss," shall not be forwarded to the State office unless Form FCI-119-W, "Notice of Seeding," has previously been forwarded to the State office or is being forwarded with Form FCI-167-W.

E. Form FCI-168-W, "Wheat Yield Record For Special Practices."

Original (white) attached to the branch office copy of Form FCI-167-W, and forwarded to the State office for transmittal to the branch office.

Copy (green) attached to the State office copy of Form FCI-167-W, and forwarded to the State office.

Copy (salmon) attached to the county office copy of Form FCI-167-W, and retained in the county office files.

F. Form FCI-169-W, "1941 Wheat Indemnities—Transmittal Sheet."

Original (white) to be transmitted by the State office to the branch office.

Copy (green) to be filed in the State office.

Copy (yellow) to be transmitted by the State office to the branch office.

Copy (salmon) to be retained in the county office.

G. Form FCI-174-W, "Certificate of Indemnity."

Original (white) directly to the insured.

Copy (pink) directly to the insured. (Form FCI-174A-W).

Copy (green) forwarded to the State office.

Copy (salmon) forwarded to the county office.

Copy (yellow) retained in the branch office.

APPENDIX

MEASUREMENTS AND QUANTITY DETERMINATION

The measurements of the wheat bin must be inside measurements and must be taken very carefully. Before measuring the height of the wheat in the bin, the adjuster should insist that the wheat be leveled off evenly and may, if he deems it advisable, chalk-mark the wheat line on the inside of the bin. Extreme care should be taken in measuring the diameter of a round bin or granary. The inspector should get inside the bin or granary on top of the wheat to measure the inside diameter of the bin or granary and the diameter of the ventilator, if any.

The volume of a rectangular bin or granary is expressed in cubic feet, and is computed by multiplying the inside width by the inside length by the depth of the wheat in the bin or granary.

The volume of wheat in a round bin or granary may be computed by multiplying one-half the diameter squared times 3.1416 and this result multiplied by the depth of the wheat in

the bin. In case of a round ventilator in the bin, the same process should be used to calculate the volume of the ventilator and this amount subtracted to get the net volume of the bin.

Where bins or granaries of any type contain chutes, ventilators, studs, crossties, etc., which take up space included in the over-all measurements of the wheat, careful measurements should be taken and the total volume in cubic feet deducted from the gross cubic content of the bin to arrive at the volume of stored wheat in cubic feet.

These items may be converted to bushels by multiplying by 0.8, which will give the result in bushels of 60-pound wheat. If the test weight is other than 60 pounds per bushel, reference should be made to the table of correction factors and the gross bushels converted to net bushels by the application of the factor applicable to the test weight of the wheat.

TABLE OF CORRECTION FACTORS TO CONVERT GROSS BUSHELS TO NET BUSHELS

Test weight (pounds):	Percentage	Test weight (pounds):	Percentage	Test weight (pounds):	Percentage
65-----	108	54-----	90	43-----	72
64-----	107	53-----	88	42-----	70
63-----	105	52-----	87	41-----	68
62-----	103	51-----	85	40-----	67
61-----	102	50-----	83	39-----	65
60-----	100	49-----	82	38-----	63
59-----	98	48-----	80	37-----	62
58-----	97	47-----	78	36-----	60
57-----	95	46-----	77	35-----	58
56-----	93	45-----	75		
55-----	92	44-----	73		

CAUSES OF DAMAGE

In order that the "Cause of Damage" entered in part IV of Form FCI-167-W may be properly classified and recorded by the Corporation, the following list of causes is set forth for the guidance of the adjusters. This list is to be used as a general guide, but additional terms describing causes of damage should be used by the adjuster when needed. Specific terms should be used and general terms avoided, in describing the causes of damage, whenever possible.

Uninsured losses due to causes (not identified).

Uninsured losses due to improper preparation of seedbed.

Uninsured losses due to deferred harvesting.

Uninsured losses due to failure to use water supply for irrigation.

Uninsured losses due to use of poor seed.

Uninsured losses due to failure to summer fallow.

Uninsured loss due to poor farming practices.

Weather (not identified).

Drought.

Hail.

Heat.

Flood.

Winterkill.

Hot winds.

Excessive moisture.

Blown out.

Lodging.

Frost.

Excessive moisture and drought.

Water erosion.

Lack of sufficient water on irrigated land.

Crusted soil.

Rotting seed.

Insects (not identified).

Grasshoppers.

Crickets.

Chinchbugs.

Hessian Fly.

Wheat straw worm.

Joint worm.

Wire worm.

Cut worm.

Army worm.

Greenbugs.

Stem maggot.

Sawfly.

Diseases (not identified).

Stem or black rust.

Leaf or red rust.

Stinking smut.

Loose smut.

Foot rot, root rot.

Scab, blight.

Glume-blotch.

Rust.

Animals (not identified).

Rabbits.

Stock.

Deer, elk, or antelope.

Ducks, geese, pheasants, and other game birds.

Squirrels, gophers.

Miscellaneous (not identified).

Fire.

Weeds (not identified).

Bindweed (wild Morning Glory "Creeping Jenny").

Sunflower.

Foxtail.

Star Thistle.

Canada Thistle.

Sowthistle.

Russian Thistle.

Thistle (not identified).

Mustard (including Fanweed, French weed, Stinkweed).

Quackgrass.

Dog Fennel.

Chickweed.

Wild Oats.

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Form FCI-211-W

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U. S. Department of Agriculture

COUNTY APPLICATION PROCEDURE

WHEAT CROP INSURANCE



UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

WASHINGTON, D. C.

Issued July 1941

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COUNTY APPLICATION PROCEDURE WHEAT CROP INSURANCE

SECTION I. GENERAL

A. Presentation of the 1942 Wheat Crop Insurance Program.

The county agricultural conservation committee is responsible to the State agricultural conservation committee for the administration of all phases of the crop insurance program. The county committee, under the direction of the state committee, shall develop plans for presenting the crop insurance program to all wheat growers in the county in sufficient time for growers to present their applications for crop insurance on or before the final date established by the Corporation for the receipt of applications in the county office. The county committee shall also make careful plans in conformity with this procedure for the handling of problems of administration and operation within the county so that the interests of both the wheat growers and the Corporation will be protected at all times. The county committee shall coordinate its activities in presenting this program, giving due consideration to timeliness, effectiveness, and economy of operation, in order to present the crop insurance program as a part of the general farm program being administered by the United States Department of Agriculture.

B. Preparation of Community Lists Showing Yields and Premium Rates.

If it is deemed desirable in connection with the writing of applications, the county committee may prepare community lists showing the yield per acre and premium rate for each farm as finally approved by the Federal Crop Insurance Corporation and other information necessary for the execution of the application for wheat crop insurance.

C. Forms.

The following forms will be used in connection with this procedure:

Form FCI-Regulations 201-W, "1942 Wheat Crop Insurance Regulations."

Form FCI-201-W, "County Yield and Rate Procedure."

Form FCI-202-W, "Agreement."

Form FCI-203-W, "1942 Wheat Listing Sheet."

Form FCI-108-W, "Notice of Transfer, Harvest, Removal, or Other Use of Wheat Crop."

Form FCI-212-W, "Application for Wheat Crop Insurance."

Form FCI-212A-W, "Continuation Sheet, Paragraph 4, Representations of Applicant."

Form FCI-213-W, "Receipt."

Form FCI-214-W, "Deposits To Be Applied Toward Payment of Premiums."

Form FCI-215-W, "Transmittal Sheet—1942 Wheat Crop Insurance Applications."

Form FCI-216-W, "Acknowledgment of Forms FCI-217-W, Receipts and Cash Collections."

Form FCI-217-W, "Record of Receipts and Cash Collections."

Form FCI-218-W, "Notice of Confirmation."

Form FCI-219-W, "Notice of Seeding."

Form FCI-220-W, "Collateral Assignment."

Form FCI-221-W, "Record of Transfer."

Form FCI-222-W, "1942 Wheat Notices of Seeding—Transmittal Sheet."

D. Application for Insurance.

1. Applications for wheat crop insurance shall be made on Form FCI-212-W. Any per-

son who has or expects to have an interest as landlord, owner, tenant, or sharecropper in a wheat crop to be seeded on a farm may apply for insurance to cover such interest in such crop. Under the insurance contract, insurance with respect to each farm shall attach only to the interest which the applicant has in the wheat crop on a farm at the time of the beginning of the seeding of the wheat crop on the farm.

Verbal or written requests on forms other than those submitted on Forms FCI-212-W *shall not* be construed as applications for insurance.

2. Form FCI-212-W shall cover all of the farms within the county in which the applicant has an interest in the wheat crop at the time Form FCI-212-W is submitted to the office of the county committee and any other farms in the county in which the applicant has an interest at the time of the beginning of the seeding of the wheat crop. The information relative to those farms in which the applicant has an interest at the time the application is filed shall be listed on Form FCI-212-W, or on Form FCI-212A-W which shall be attached to and made a part of Form FCI-212-W. Where referred to in this procedure, Form FCI-212-W shall include Form FCI-212A-W where such Form FCI-212A-W is applicable. In those cases where the applicant does not have an interest in any farm in the county at the time Form FCI-212-W is submitted but expects to acquire an interest in a wheat crop on a farm in such county before the beginning of the seeding of the wheat crop, the applicant may execute Form FCI-212-W but the information need not be inserted in paragraph 4, "Representations of Applicant," and the information relative to the farm(s) will be shown on Form FCI-219-W.

3. BEFORE FORM FCI-212-W IS SIGNED BY THE APPLICANT, THE NECESSARY INFORMATION SHALL BE INSERTED IN ACCORDANCE WITH THIS PROCEDURE IN PARAGRAPHS 1, 2, 4, AND 10 OF FORM FCI-212-W AND THE CORRESPONDING INFORMATION

INSERTED ON THE CONTINUATION SHEET (FORM FCI-212A-W) IF SUCH CONTINUATION SHEET IS USED.

4. Forms FCI-212-W, properly executed by the applicant, must be submitted to the office of the county committee on or before the final date established by the Corporation for the submission of applications to the office of the county committee, or the beginning of the seeding of the wheat crop on any of the farms covered by the application, whichever occurs first.

The final date established by the Corporation for the submission of applications to the office of the county committee or the date of the beginning of the seeding of the wheat crop on any farm covered by such application, whichever occurs first, shall be referred to in this procedure as the "closing date."

5. Forms FCI-212-W covering combinations, tracts of a farm varying widely from the remainder of such farm, divisions, field-rented tracts, special practices, irrigated and nonirrigated land, winter and spring wheat in which the applicant has an interest at the time of seeding, and other unusual cases shall be handled in accordance with section VI of this procedure.

E. Computation of the Cash Equivalent and Payment on Notes.

1. All premiums shall be paid by the execution of a note which is a part of the application. A cash payment may be made on the note at the time that Form FCI-212-W is submitted or at any future date and such payment in terms of bushels of wheat applied toward payment of the note. Where the applicant does not agree to participate in the agricultural conservation program, the county committee shall require that payment be made on the note of that part of the premium in bushels, computed on the acreage allotment or permitted acreage, whichever is applicable, on all farms listed in paragraph 4 of Form FCI-212-W, (including those listed on Form FCI-212A-W) at the time that Form FCI-212-W is submitted to the county committee.

2. Where payments are made on the note before maturity, the number of bushels of wheat, determined by dividing the cash payment by the price of wheat for the applicable class and grade shown in Form FCI-212-W at the basic market designated by the Corporation less the appropriate price differential, shall be applied toward payment of the note. The price of such wheat at the basic market shall be the price shown on the latest wheat price notice received by the county committee.

3. At maturity the cash equivalent of the unpaid balance of the note shall be determined by multiplying the number of bushels of wheat of the applicable class and grade constituting the unpaid balance of the note by the price of wheat for the applicable class and grade shown on Form FCI-212-W at the basic market designated by the Corporation less the appropriate price differential. The price of such wheat at the basic market shall be the price shown on the wheat price notice on the date of maturity.

BASIC MARKET means the market designated by the Corporation for the computation of the cash equivalent of note payments, deposits, refunds, or indemnities for the area in which the farms covered by the insurance contract are located; *Provided, however,* That if the Corporation finds that the basic market designated in connection with any such computation is inapplicable due to changes in market conditions, the Corporation shall designate another basic market in connection with any other of such computations.

PRICE DIFFERENTIAL with respect to each farm covered by the insurance contract means the amount per bushel fixed by the Corporation to represent the difference in wheat prices for the applicable basic market and the county or subdivision thereof applicable to such farm.

4. When the applicant wishes to pay a note in wheat, such applicant shall deliver, on or before the maturity date on the note, at the office of the county committee a warehouse receipt or other instrument acceptable to the Corporation (hereinafter referred to as "warehouse receipt") representing salable wheat.

The warehouse receipt shall be sold on the day such warehouse receipt is received at the office of the county committee and the amount received (less deductions) from such sale of the warehouse receipt shall be divided by the applicable price, less the price differential, for the day that the warehouse receipt was tendered to the county committee, and the resulting bushels of wheat applied toward payment of the note.

5. The payment of notes in the cash equivalent shall be made by check, money order, or bank draft payable to the Treasurer of the United States, or by cash.

6. All checks and drafts will be accepted subject to collection, and notes or deposits for future premiums shall not be regarded as paid unless collection is made.

7. All collections on notes must be listed on Form FCI-217-W and forwarded daily to the branch office of the Corporation. It is necessary that the original Form FCI-217-W be transmitted to the branch office of the Corporation on the same day that the collections are made in order that the Corporation may use such Form FCI-217-W as the basis for its wheat purchases.

8. Any person who submits an application may tender a deposit of wheat or cash, which may be applied toward the payment of future premiums. The conversion of deposits of wheat shall be made in the manner specified in subsection E, paragraph 4, above. The tender of a deposit in wheat or cash shall be made only at the time that Form FCI-212-W is submitted and the maximum amount of such deposit shall be limited to the premium in bushels of wheat computed on the basis of the acreage allotment or permitted acreage, whichever is applicable, on all farms listed in paragraph 4 of Form FCI-212-W. Deposits will be accepted only in those cases where payment is made on the note of that part of the premium in bushels of wheat computed on the acreage allotment or permitted acreage, whichever is applicable, on all farms listed on Form FCI-212-W. The tender of de-

posits in the cash equivalent shall be made by check, money order, or bank draft payable to the Treasurer of the United States, or by cash.

F. Disposition of 1941 Crop Year Deposits.

Any amount which is on deposit with the Corporation for the payment of future premiums, pursuant to the 1941 Wheat Crop Insurance Regulations, as amended, shall be applied in payment of the note for the number of bushels shown on Form FCI-214-W for any insurance for which a 1942 application is accepted, or refunded in accordance with the 1941 Wheat Crop Insurance Regulations. Claims for refunds of deposits shall not be considered until Forms FCI-219-W have been submitted; however, the Corporation may make refunds at an earlier date if it determines that such action is advisable.

If there are any deposits for the payment of future premiums which may be applied toward payment of wheat crop insurance premium notes in the county, the branch office of the Corporation will supply the county committee with Form FCI-214-W, showing the 1941 wheat crop insurance applicants having deposits to their credit with the Corporation. Upon receipt of this list showing the amount of the deposits in bushels of wheat to be applied toward payment of the note, the county committee should notify each person whose name appears on this list of the amount of the deposit to his credit. Copies of this list may be prepared in the office of the county committee for use at community sign-up meetings or for crop insurance representatives or community committeemen when applications for insurance are being written, in order that the applicant may apply his deposit tendered in connection with the 1941 crop year toward payment of his 1942 note.

The deposit in bushels of wheat, as shown on Form FCI-214-W, has been computed on the basis of the class of wheat for the 1941 crop year shown on Form FCI-112-W. In the event that the applicant designates on Form FCI-212-W, as a basis for the payment of premium and indemnity for the 1942 crop year, a class of wheat which differs from the class of

wheat shown on Form FCI-214-W, the deposit in bushels of wheat must be recomputed in accordance with section VII of this procedure.

Transfers of deposits between counties in the same or different states may be made only with the approval of the Corporation. In the event that the depositor wishes to transfer his deposit to a farm in a different county, the deposit will be refunded by the Corporation unless the recomputation has been made by the Corporation, prior to the time that Form FCI-212-W is prepared, in accordance with section VII of this procedure.

G. Fractional Units of Acres, Yields, and Premium Rates.

Fractions of yields per acre shall be rounded to the nearest tenth of a bushel. Fractions of premium rates shall be rounded to the nearest hundredth of a bushel.

Fractions of bushels other than yields per acre and premium rates shall be rounded to the nearest bushel. Fractions of acres representing total acres of wheat shall be rounded to the nearest tenth of an acre.

In making computations under the 1942 program, carry the computation to one digit beyond the digit that is to be rounded. If the extra digit computed is 1, 2, 3, or 4, round downward. If the extra digit computed is 6, 7, 8, or 9, round upward. If the extra digit computed is 5, it will be necessary to carry the computation to still another digit. Then if the two extra digits are 50, the rounding shall be downward. Ignore all figures beyond the two extra digits. If the two extra digits are 51 or any higher figure, the rounding shall be upward.

FOR EXAMPLE :	<i>Result of computation</i>	<i>Rounded bushels</i>
Total premium-----	26.4	26
	26.50	26
	26.51	27
Insured production-----	1,180.4	1,180
	1,180.50	1,180
	1,180.51	1,181
Average yield-----	10.34	10.3
	10.550	10.5
	10.551	10.6
Premium rate per acre---	1.364	1.36
	1.3650	1.36
	1.3651	1.37

H. Acceptance of Applications.

The insurance contract shall be in effect upon acceptance of Form FCI-212-W by the county committee provided the average yield(s) and premium rate(s) per acre for the farm(s) listed on Form FCI-212-W are in accordance with the yield(s) and rate(s) approved by the Corporation, and provided further that the application is submitted in accordance with the provisions of the application and the 1942 Wheat Crop Insurance Regulations and amendments thereto. In every case where Form FCI-212-W is accepted by the county committee, a copy of such Form FCI-212-W, signed by a member of the county committee, shall be delivered to the applicant. Confirmation by the Corporation of the acceptance by the county committee of Form FCI-212-W will be evidenced by the issuance of a notice to the applicant (Form FCI-218-W).

The applicant shall not be given his copy of Form FCI-212-W until the certification and acceptance by the county committee has been properly executed in paragraph 14.

No change shall be made on Form FCI-212-W after such form has been accepted by the county committee on behalf of the Corporation and the insured has been given his copy of the form.

Form FCI-212-W shall not be accepted by the county committee in those cases where the applicant does not agree to participate in the agricultural conservation program unless payment is made of that part of the premiums in bushels of wheat computed on the basis of the acreage allotment or permitted acreage, whichever is applicable, for all farms listed in paragraph 4 of Form FCI-212-W (including those listed on Form FCI-212A-W) at the time Form FCI-212-W is submitted to the county committee. In these cases the word "not" should be inserted in paragraph 11 of Form FCI-212-W.

The county committee shall withhold acceptance of any Form FCI-212-W, or limit the insured percentage to 50 percent on all farms covered by Form FCI-212-W where it determines that the risks to be incurred warrant either action.

In those areas where both winter and spring

wheat may be seeded and Form FCI-212-W is submitted after the closing date for applications for insurance on winter wheat (August 30, 1941), the county committee shall not accept such applications until it has been determined that winter wheat will not be seeded on any of the farms in which the applicant has an interest at the time of the beginning of the seeding of such wheat crop. These Forms FCI-212-W shall be retained in the office of the county committee until such determination has been made. If winter wheat is not seeded on any of the farms covered by Form FCI-212-W in which the applicant has an interest at the time of the beginning of the seeding of the wheat crop, the county committee may accept and transmit such applications in the regular manner. However, if winter wheat is seeded on any of the farms covered by Form FCI-212-W in which the applicant has an interest at the time of the beginning of the seeding of the wheat crop, the application shall not be accepted by the county committee and the accompanying memorandum shall set forth the reasons for such non-acceptance. These unaccepted Forms FCI-212-W shall be listed on Form FCI-215-W when such applications are received in the office of the county committee but shall be suspended and retained in the office of the county committee until the determination outlined above has been made at which time the unacceptable Form FCI-212-W shall be transmitted to the office of the state committee for forwarding to the branch office of the Corporation.

Under no circumstances shall the signature of the county committeeman or the signature of the insured be deleted from Form FCI-212-W after such form has been accepted by the county committee on behalf of the Corporation.

If the county committee does not accept the application, paragraph 14 of Form FCI-212-W, "Certification and Acceptance by the County Committee," shall not be executed, but a memorandum outlining all the facts in the case shall be submitted. The original of this memorandum shall be attached to the original of Form FCI-212-W and a copy shall be attached to the

State office copy of Form FCI-212-W, when these forms are transmitted to the office of the State committee. A copy of this memorandum shall also be attached to the county office copy of Form FCI-212-W.

It should be noted that all Forms FCI-212-W received in the office of the county committee must eventually be submitted to the office of the State committee for forwarding to the branch office of the Corporation regardless of whether such Forms FCI-212-W have been accepted by the county committee.

I. Change of Basic Market Prices.

The county committee will be notified by the state committee when a change is to be made in the basic market price to be used in computing the cash equivalent of wheat. It is important that these changes be made effective as soon as possible after receipt of this information in the office of the county committee. A wheat price card shall be forwarded to the office of the county committee as a confirmation of the basic market prices. In order to provide uniform handling of the computation of cash equivalents, the state committee will check all Forms FCI-213-W to determine that the proper information has been used for the computation of amounts paid on wheat notes. In the event that the current information with respect to the basic market price has not been used by the county committee in the computation of the bushels paid, determination will be made by the State committee as to whether changes were made effective by the county committee as soon as possible after receipt of notification.

J. Final Date for Receipt of Forms FCI-212-W.

In order to be acceptable, Form FCI-212-W, properly executed by the applicant, must be submitted to the office of the county committee on or before the closing date.

The following Forms FCI-212-W which are received in the office of the county committee after the closing date may be accepted by the county committee on behalf of the Corporation:

1. Forms FCI-212-W which are received by mail in the office of the county committee after the closing

date, if the envelope transmitting such forms was postmarked on or before the closing date.

2. Forms FCI-212-W which are submitted by the applicant to a community committeeman, county committeeman, or a field representative, on or before the closing date.

APPLICATION CLOSING DATE (referred to in this procedure as the "closing date") means the final date established by the Corporation for the submission of an application to the office of the county committee or the beginning of seeding of the wheat crop on any of the farms covered by the application, whichever occurs first. The final date for the submission of applications is as follows:

Winter wheat—August 30, 1941.

Spring wheat—February 28, 1942.

All Forms FCI-212-W submitted to the office of the county committee after the closing date shall not be accepted by the county committee but shall be listed on Form FCI-215-W and transmitted to the office of the state committee in the regular manner.

K. Policy Regarding Cancellation of Forms FCI-212-W.

It is the general policy of the Corporation to not concur in requests for cancellation or voidance of Forms FCI-212-W after such forms have been accepted by the county committee for and on behalf of the Corporation. However, individual cases which the county committee determines are deserving of meritorious consideration should be handled in accordance with paragraph L below. The following types of cases are not to be considered as proper cases for cancellations of insurance contracts or rejections of applications:

1. Applicant has no interest in the wheat crop seeded on any farm covered by the insurance contract at the time of the beginning of the seeding of such wheat crop.
2. No wheat is seeded for harvest as grain on any farm covered by the insurance contract.

3. The same interest in the same farm is shown on two Forms FCI-212-W submitted by two different persons.

Therefore, it will not be necessary to take any formal action with respect to cancelation of these Forms FCI-212-W, as the adjustments can be made at the time of the preparation of Form FCI-219-W.

L. Individual Meritorious Cases.

In accordance with the provisions of General Procedure 4, "Procedure for Handling Individual Cases," where the county committee is in doubt regarding the proper handling of an individual case, such case shall be referred to the state committee accompanied by a memorandum outlining in detail all the known facts pertaining to the particular case and setting forth the recommendations of the county committee. If information has been supplied by the insured or the applicant, a copy of such statement of the applicant or insured, if submitted in writing, or the county committee's report of such information, shall also be forwarded to the office of the state committee. In these doubtful cases, the acceptance of Form FCI-212-W by the county committee on behalf of the Corporation shall be withheld until notification is received from the state committee in writing of the action taken with respect to the individual case.

All general questions relating to administrative policies, interpretations of administrative rulings and procedure, and interpretations of the terms and conditions of the insurance contract shall be referred by the county committee to the State committee.

SECTION II. PREPARATION OF FORM FCI-212-W, "APPLICATION FOR WHEAT CROP INSURANCE"

A. General.

Do not insert the state and county code and application number when Form FCI-212-W is prepared, as this information will be inserted when Forms FCI-212-W are listed on Form FCI-215-W by the county committee in accordance with section IV of this procedure.

Before the applicant executes Form FCI-212-W, the county committee shall furnish him with a copy of the 1942 Wheat Crop Insurance Regulations.

B. Paragraph 1. Name and Address of Applicant.

1. Type or print the name of the applicant in the manner in which the signature is usually affixed.

Where Form FCI-212-W is being submitted by a married woman, the full Christian name, additional initials, if any, and the husband's surname shall be shown instead of the husband's name preceded by the designation "Mrs."

Example: Correct: Mary A. Doe.

Incorrect: Mrs. John W. Doe.

However, where a married woman is acting in a fiduciary capacity, the name should be printed or typed in the manner set forth in the authorization to act, whether by court order or by simple trust agreement.

2. Type or print the complete mailing address in order that all correspondence may be promptly forwarded to the applicant.

C. Paragraph 2. Insured Percentage.

(a) Enter in the space provided therefor in paragraph 2 either 75 or 50 percent, indicating the insured percentage. Although 75-percent insurance is applied for, if the county committee determines that the insured percentage should be limited to 50 percent, Form FCI-212-W should be prepared indicating an insured percentage of 50 percent rather than 75 percent prior to the time Form FCI-212-W is signed by the applicant. If Form FCI-212-W has already been signed by the applicant, the change from 75-percent insurance to 50-percent insurance must be initialed by the applicant on Form FCI-212-W or the signature of the applicant must be obtained on Form FCI-202-W in accordance with this procedure.

The insured percentage shall be the same for all the farms covered by a crop insurance application.

(b) Enter in the spaces provided therefor in paragraph 2 the name of the county and the name of the state in which the farms are located.

D. Paragraph 4. Representations of Applicant.

1. Enter in paragraph 4 the information with respect to each farm in the county in which the applicant has an interest at the time Form FCI-212-W is prepared and also with respect to those farms in the same county in which the applicant expects to acquire an interest before the beginning of the seeding of the wheat crop. Form FCI-212-W must cover all farms, considered as being in the county for the purpose of making payments under the Agricultural Conservation Program, in which the applicant has an interest or expects to acquire an interest before the beginning of the seeding of the wheat crop. Therefore, it will not be possible to exclude from paragraph 4 of Form FCI-212-W any farm or farms in which the applicant has an interest at the time Form FCI-212-W is executed. However, in those cases where the applicant does not have an interest in any farm in the county at the time Form FCI-212-W is submitted but expects to acquire an interest in the wheat crop on a farm in such county before the beginning of the seeding of the wheat crop, the applicant may execute Form FCI-212-W but the information need not be inserted in paragraph 4, "Representations of Applicant," and the information relative to the farm(s) will be shown on Form FCI-219-W.

(a) Enter the 1942 wheat listing sheet farm number(s) as shown in column 1 of Form FCI-203-W. There shall also be inserted in the column headed "Practice" (immediately following the 1942 wheat listing sheet farm number) the identifying letters, if any, which are shown on Form FCI-203-W, such as "I," "NI," "W," "S," or "D" indicating, respectively, "Irrigated," "Nonirrigated," "Winter," "Spring," or "Durum." If the yields or rates for the farm are shown on special practice listing sheets, the information relative to every practice shall be listed and an identifying letter or letters shall be inserted in column A, immediately following the listing sheet farm number, to indicate the practice to which the yield or rate is applicable, such as "CC," "SF,"

"I," "NI," "D," "S," or "W" indicating respectively, "Continuous Cropping," "Summer Fallow," "Irrigated," "Nonirrigated," "Durum," "Spring," or "Winter."

(b) Enter the total number of acres in each farm.

(c) Enter the name of the owner, or the word "applicant" if the applicant is the owner of the farm.

(d) Enter the farm name, location of the farm, or legal description of the farm in order that each farm may be readily identified.

(e) Enter the applicant's percentage share in the 1942 wheat crop existing when Form FCI-212-W is signed by such applicant. For those farms in which the applicant does not have an interest at the time Form FCI-212-W is executed but expects to acquire an interest before the beginning of the seeding of the wheat crop, enter the anticipated percentage share in the wheat crop, if known at the time Form FCI-212-W is prepared.

NOTE.—Where it is necessary to list the information for the same farm on two separate lines, as in the case of special practices, the information in columns B to E, inclusive, should be entered only on the first line.

(f) Enter from column 16 of Form FCI-203-W the average yield per acre for each farm. In the event that an appeal has been approved, the approved appealed yield per acre as shown in column 18 of Form FCI-203-W shall be inserted in column F of paragraph 4.

(g) Enter the approved premium rate per acre for each farm as shown in column 24 of Form FCI-203-W. In the event that an appeal has been approved, the approved appealed rate per acre as shown in column 27 of Form FCI-203-W shall be inserted in column G of paragraph 4.

If the premium rate per acre is less than the minimum, 0.50 bushel for 75-percent insurance, or 0.30 bushel for 50-percent insurance, the minimum rate shall be inserted in column G except in the case of special practice(s).

In the case of Form FCI-212-W filed on the basis of special practices, enter in column G the computed premium rate for each special practice even though such premium is less than the minimum.

Where the farm(s) shown in paragraph 4 of Form FCI-212-W may be combined or divided at a later date, the cases shall be handled in accordance with section VI of this procedure.

For those farms for which special practices are being followed, the yield per acre and premium rate for each practice shall be entered in columns F and G on the line on which the special practice identifying letter is shown in column A.

E. Paragraph 10. Designation of Class of Wheat.

Enter in paragraph 10 the class of wheat selected by the applicant as the basis for payment of premium and indemnity for all the farms covered by the application.

The class of wheat must be one normally grown in the area and shall be one of the classes shown on the wheat price card.

The classes of wheat and the applicable grades, which will be used in the computation of premiums, are as follows:

CLASS:	Basic grade
Red Winter-----	No. 2
Hard Winter-----	No. 2
Soft White-----	No. 2
Hard White Ordinary-----	No. 2
Hard White Baart-----	No. 2
Dark Northern Spring-----	No. 1
Northern Spring-----	No. 1
Western White-----	No. 2
Hard Amber Durum-----	No. 2
Hard Winter (Montana, Idaho, and Utah) -----	No. 2
Western Red-----	No. 2

F. Paragraph 11. ACP Participation.

Where the applicant does not agree to participate in the agricultural conservation program, the word "not" shall be inserted in paragraph 11 in the space provided. If the word "not" is inserted in paragraph 11, then the county committee shall require that payment be made on the note of that part of the premium in bushels computed on the acreage allotment or permitted

acreage, whichever is applicable, on all farms listed in paragraph 4 of Form FCI-212-W, including those listed on Form FCI-212A-W, at the time that Form FCI-212-W is submitted to the county committee. If the applicant agrees to participate in the agricultural conservation program, no entry shall be made in paragraph 11 of Form FCI-212-W.

G. Paragraph 12. Note.

Paragraph 12, "Note," of Form FCI-212-W is the agreement containing the promise of the applicant to pay to the Corporation an amount equal to the premium for the insurance contract. Such note is non-interest bearing. The signature of the applicant in paragraph 13 of Form FCI-212-W will constitute the agreement of the applicant to the provisions of the application in paragraphs 1 to 11, inclusive, as well as the agreement of the applicant to the provisions of the note as set forth in paragraph 12.

H. Paragraph 13. Signature of Applicant.

BEFORE FORM FCI-212-W IS SIGNED BY THE APPLICANT, THE NECESSARY INFORMATION SHALL BE INSERTED IN ACCORDANCE WITH THIS PROCEDURE IN PARAGRAPHS 1, 2, 4, AND 10 OF FORM FCI-212-W AND THE CORRESPONDING INFORMATION INSERTED ON THE CONTINUATION SHEET (FORM FCI-212A-W) IF SUCH CONTINUATION SHEET IS USED.

To determine whether a signature has been properly affixed or whether a fiduciary who has signed in a representative capacity has authority to act in the capacity shown, the county committee should be guided by the instructions set forth in Form ACP-16, "Instructions on Signatures and Authorizations."

In those cases where the county committee is not satisfied that the person signing the application has authority to act, evidence of authority should be obtained and filed in the office of the county committee.

The applicant should sign his name in paragraph 13 in the same manner as the printed or typed name in paragraph 1, and shall indicate the date of signing.

Where Form FCI-212-W is being signed by

an agent or fiduciary, the name of the principal should appear immediately above the agent's signature. The county committee should be guided by the instructions outlined in Form ACP-16 in determining whether such signatures have been properly affixed.

I. Paragraph 14. Certification and Acceptance by the County Committee.

1. **ACCEPTABLE FORMS FCI-212-W.**—Form FCI-212-W shall be carefully reviewed by the county committee and, if acceptable, a member of the county committee shall sign the certification and acceptance on behalf of the corporation. Until such certification and acceptance has been executed, the applicant shall not be given his copy of Form FCI-212-W.

The signature of the applicant in paragraph 13 of Form FCI-212-W or the signature of a member of the county committee in paragraph 14 of Form FCI-212-W shall not be deleted from such forms under any circumstances. If after Form FCI-212-W has been executed by the applicant and accepted by the county committee on behalf of the Corporation it appears that Form FCI-212-W should not have been accepted by the county committee on behalf of the Corporation either because the signature of the applicant was not properly executed, or for any other reason, the signature of the county committee shall not be deleted but a statement shall be prepared and attached to Form FCI-212-W when such form is transmitted to the office of the State committee. In the event the branch office copy and the State committee's copy of a properly executed Form FCI-212-W have been transmitted to the office of the State committee and the county committee is of the opinion that Form FCI-212-W should not have been accepted by the county committee on behalf of the Corporation, a statement of facts shall be prepared and transmitted immediately to the office of the State committee.

In those areas where winter and spring wheat are seeded and Form FCI-212-W is submitted after the closing date for winter wheat applications (August 30, 1941), the county committee shall *not* accept such applications until it has

been determined that winter wheat will not be seeded on any of the farms covered by Form FCI-212-W. These Forms FCI-212-W shall be retained in the office of the county committee until such determination has been made. If winter wheat is not seeded on any of the farms covered by Form FCI-212-W, the county committee may accept and transmit such applications in the regular manner. However, if winter wheat is seeded on any of the farms covered by Form FCI-212-W, the application shall not be accepted by the county committee and the accompanying memorandum shall set forth the reasons for such nonacceptance. Such unaccepted Forms FCI-212-W shall be transmitted to the office of the state committee in the regular manner.

2. **ABSENTEE OWNERS OR LANDLORDS.**—Where insurance is desired by an absentee owner or landlord, the county committee shall prepare Form FCI-212-W for the signature of the absentee owner or landlord. Forms FCI-212A-W shall also be prepared where necessary. The absentee owner or landlord should be advised that the signed Form FCI-212-W must be submitted to the office of the county committee not later than the final date established by the Corporation for the submission of applications to the office of the county committee, or the beginning of the seeding of the wheat crop, whichever occurs first.

As Forms FCI-212-W executed by absentee owners or landlords cannot be accepted after the final date set for the submission of Forms FCI-212-W to the office of the county committee, or the beginning of the seeding of the wheat crop, whichever occurs first, the county committee shall prepare Forms FCI-212-W for the signature of the absentee owners or landlords sufficiently in advance of the closing date to permit the absentee owners or landlords to return the properly executed Forms FCI-212-W to the office of the county committee on or before the final date for the submission of applications to the office of the county committee.

Forms FCI-212-W for absentee owners or landlords shall not be listed on Form FCI-215-W nor accepted by the county committee until the fully executed Form FCI-212-W is

received in the office of the county committee.

3. FORMS FCI-212-W WHICH CANNOT BE ACCEPTED.—After the execution of Forms FCI-212-W by the applicant, if the Form FCI-212-W is not acceptable to the county committee, such suspended Forms FCI-212-W shall be listed on Form FCI-215-W and transmitted to the office of the state committee in the regular manner.

A line shall be drawn through the data for the suspended Forms FCI-212-W appearing on Form FCI-215-W. A notation shall be placed on Form FCI-215-W, under the column headed "Remarks," indicating those cases which have been suspended by the county committee or have not been accepted by the county committee. These revisions shall be made on all copies of Form FCI-215-W.

In the event the county committee determines that Form FCI-212-W should not be accepted, the certificate of the county committee shall not be executed, but a memorandum shall be prepared outlining all the reasons why Form FCI-212-W was *not* accepted. It is suggested that all Forms FCI-212-W, which are not accepted, be carefully reviewed prior to forwarding to the office of the state committee. Form FCI-212-W should not be marked in any manner indicating that it is not acceptable except that the certificate of the county committee shall not be signed. The original of the memorandum shall be attached to the original of Form FCI-212-W, a copy attached to the state office copy of Form FCI-212-W, and a copy attached to the county office copy of Form FCI-212-W.

Where payment has been made on the note, but the county committee has not accepted Form FCI-212-W, the amount collected shall be transmitted to the branch office accompanied by the original of Form FCI-217-W, and the branch office copy of Form FCI-213-W.

In no event shall collections be retained in the office of the county committee pending correction of Forms FCI-212-W or for any other reason.

4. CORRECTION OF FORMS FCI-212-W.—All changes or corrections to be made on Form FCI-212-W after such form has been accepted by the county committee on behalf of the Cor-

poration, whether the changes are to be made on Form FCI-212-W or by means of the execution of Form FCI-202-W, must conform to FCI-Regulations 201-W, "1942 Wheat Crop Insurance Regulations," and established procedure. All cases that cannot be handled in this manner must be handled in accordance with General Procedure 4 as outlined in section I, paragraph L of this procedure.

(a) *Agreement of the insured.*

The signature of the insured on Form FCI-202-W or the initials of the insured on Form FCI-212-W agreeing to corrections on Form FCI-212-W shall be obtained only where the average yield is reduced, the premium rate is increased, or the insured percentage is changed. All other revisions or corrections do not require the signature or the initials of the insured.

It is not necessary to increase or decrease the insured's interest in the wheat crop as shown in column E of paragraph 4 of Form FCI-212-W, as any correction or change of interest occurring after Form FCI-212-W has been accepted by the county committee on behalf of the Corporation and before the beginning of the seeding of the wheat crop will be reflected on Form FCI-219-W.

(b) *Before Form FCI-212-W is listed on Form FCI-215-W.*

All revisions or corrections discovered by the county committee *before* Form FCI-212-W is listed on Form FCI-215-W shall be accomplished by drawing a line through the incorrect information appearing on Form FCI-212-W and inserting instead the correct information.

(c) *After Forms FCI-212-W are listed on Form FCI-215-W.*

All revisions or corrections discovered by the county committee *after* Form FCI-212-W is listed on Form FCI-215-W shall be accomplished by the preparation of Form FCI-202-W in accordance with the instructions outlined in section VIII of this procedure.

(d) *Notations on Form FCI-212-W.*—In every case where Form FCI-202-W is prepared by the county committee, the originating office copy shall be attached to the related Form

FCI-212-W which is filed in the office of the county committee. In addition, the necessary changes should be indicated on Form FCI-212-W by striking through the incorrect entry and entering the correct data. Furthermore, when distribution of the copies of Form FCI-202-W is made in accordance with section XIII of this procedure, the approved county committee copy of Form FCI-202-W shall be attached to the related copy of Form FCI-212-W which is filed in the office of the county committee.

(e) *Transmittal of Forms FCI-202-W.*—Those Forms FCI-202-W which are transmitted to the office of the State committee by the county committee after Forms FCI-212-W have been forwarded to the office of the State committee shall be listed on a Form FCI-215-W prepared in the regular manner except that the words “Forms FCI-202-W” will be shown in the space provided for transmittal number, and no entry should be shown in column C for the number of farms shown in paragraph 4 of Form FCI-212-W. In other words, the county committee shall list on Forms FCI-215-W those Forms FCI-202-W which do not accompany the related Form FCI-212-W to the office of the state committee.

5. CANCELATIONS.—All requests for cancellation must be handled in accordance with General Procedure 4. The general policy of the Corporation with respect to cancellation of insurance contracts is outlined in section I, paragraph K. The method of handling individual meritorious cases is set forth in section I, paragraph L.

J. Preparation of Form FCI-212A-W.

This form shall be used in all cases where because of lack of space the information relative to farms covered by the crop insurance application cannot be shown in paragraph 4 of Form FCI-212-W.

1. Insert the name and address of the applicant. This information shall agree with that shown in paragraph 1 of Form FCI-212-W.

2. Insert the necessary information in columns A to G in the manner set forth for the preparation of Form FCI-212-W.

3. Form FCI-212A-W shall be attached to and made a part of Form FCI-212-W prior to obtaining the signature of the applicant or the acceptance by a member of the county committee.

SECTION III. PAYMENTS ON WHEAT NOTES, PREPARATION OF FORM FCI-213-W, “RECEIPT,” AND PREPARATION OF FORM FCI-217-W, “RECORD OF RECEIPTS AND CASH COLLECTIONS”

A. General.

All premiums shall be collected by the execution and payment of a note which is a part of the application. The signature of the applicant in item 13 of Form FCI-212-W constitutes the execution of the note as well as the agreement of the applicant to the provisions and terms of the insurance contract. Payments may be made on the note at the time Form FCI-212-W is submitted, or at any future date, and such payment in terms of bushels of wheat applied toward payment of the note. Payment on wheat notes may be made by check, money order, or bank draft payable to the order of THE TREASURER OF THE UNITED STATES, by cash, by the application of a deposit, or by warehouse receipt if such warehouse receipt is submitted to the county office before the maturity date of the note.

The office of the county committee shall transmit all amounts paid on notes and deposits by cash, check, money order, bank draft, or warehouse receipt to the branch office of the Corporation on the day that such collections are made. All checks and drafts are accepted subject to collection.

Form FCI-213-W shall be prepared for all collections received in the office of the county committee. Forms FCI-213-W shall be listed on Form FCI-217-W. The original of Form FCI-217-W, the branch office copy of Form FCI-213-W, and all collections must be forwarded to the branch office of the Corporation on the day that such cash collections are received in the office of the county committee. Since the Corporation is using Form FCI-

217-W as the basis for wheat purchases, it is necessary that the original Form FCI-217-W be transmitted to the branch office each day that collections are received in the office of the county committee.

B. Cash Items.

ALL MONEY ORDERS SHOULD BE DRAWN PAYABLE TO THE ORDER OF THE TREASURER OF THE UNITED STATES AT THE CITY WHERE THE BRANCH OFFICE IS LOCATED.

The person forwarding a remittance drawn payable to other than the Treasurer of the United States shall stamp or write on the back and at the top of the remittance, and above the endorsement of the payee, the following restrictive endorsement:

"Pay to the order of the Treasurer of the United States."

Amounts paid on wheat notes or the tender of deposits in the form of cash, check, bank draft, or money order shall be accepted in accordance with the 1942 Wheat Crop Insurance Regulations.

All checks and drafts shall be drawn payable to the order of the Treasurer of the United States and shall be accepted subject to collection, and amounts paid on notes or as deposits shall not be regarded as paid unless collection is made.

C. Warehouse Receipts.

1. TENDER OF WAREHOUSE RECEIPTS.—When the applicant wishes to pay a note in wheat, such applicant shall deliver on or before the maturity date of the note to the office of the county committee, a warehouse receipt or other instrument acceptable to the Corporation (hereinafter referred to as a "warehouse receipt") representing salable wheat. A warehouse receipt shall be deemed acceptable to the Corporation if such warehouse receipt can be sold immediately by the county committee.

2. SALE OF WAREHOUSE RECEIPTS.—The county committee shall sell the wheat represented by such warehouse receipts on the day that they are received. A record of the facts with respect to each sale incorporating the state and county code and application number,

the name of the buyer, warehouse receipt number, number of bushels, class and grade of wheat, sales price, warehouse charges assessed against the wheat, and the net proceeds of the sale will be prepared and signed by the county committee for attachment to the original and all copies of Form FCI-213-W. The county committee should carefully ascertain marketing conditions in the county in order to secure the highest price on such sales.

3. PAYMENT ON NOTE.—The amount obtained from such sale (less deductions) shall be divided by the applicable price, less price differential, for the day that the warehouse receipt was tendered to the county committee in order to obtain the number of bushels of wheat to be applied toward payment on the note. The proceeds from the sale of warehouse receipts shall be shown in paragraph 1 of Form FCI-213-W. The amount received from the sale of the warehouse receipt and the bushels paid on the note as shown on Form FCI-213-W shall be listed on Form FCI-217-W. Form FCI-217-W, Form FCI-213-W, and the cash items must be forwarded to the branch office of the Corporation each day that collections are made by the county committee.

D. Preparation of Form FCI-213-W.

Prepare four copies of Form FCI-213-W. Form FCI-213-W is to be issued only in those cases where payment is made on the wheat note either by cash, check, money order, bank draft, or proceeds from the sale of warehouse receipts.

1. The State and county code and application number will be inserted on Form FCI-213-W after an application number has been assigned to the Form FCI-212-W and such form is listed on Form FCI-215-W in accordance with section IV of this procedure.

2. Print or type the name of the applicant as shown on Form FCI-212-W or the name of the transferee in those cases where the payment on the note is made by such transferee.

3. Paragraph 1.—Indicate by check mark the manner of payment; that is, by money order, bank draft, cash, check, or proceeds from sale of warehouse receipt.

4. Enter the amount received by money order, bank draft, cash, check, or proceeds from sale of warehouse receipt.

If a warehouse receipt is tendered in payment of the note, Form FCI-213-W shall not be prepared until the proceeds of the sale of the warehouse receipt have been received by the county committee in order that the amount may be inserted in paragraph 1.

5. Enter the amount representing payment of the note and the amount representing a tender of deposit for payment of future premiums. Deposits must be tendered with Form FCI-212-W.

6. The person receiving the payment shall sign his name and indicate his title and the date of such collection in the spaces provided therefor.

7. In every case where Form FCI-213-W is prepared, the following information shall be inserted in the spaces provided therefor in paragraph 2:

(a) The number of the latest price card received by the county committee shall be inserted in the space provided therefor.

(b) The name of the basic market.

The name of the basic market shall be that basic market which, after considering the applicable price differential, as shown by the latest wheat price notice, will reflect the highest net price.

(c) The basic market price applicable for the basic market indicated on Form FCI-213-W and for the class of wheat specified in Form FCI-212-W.

(d) The price differential for the county.

(e) The net price which should be determined by deducting the price differential from the basic market price.

8. Where payment is made on a note, the amount paid, shown in paragraph 1, shall be divided by the net price and the resulting bushels of wheat paid inserted in the space provided for Bushels Paid on Note in paragraph 3.

9. Where only a part of the note is being paid, it will not be necessary for the county

committee to compute the total premium in bushels in paragraph 4.

10. It will be necessary to compute the premium in bushels of wheat in paragraph 4 only in those cases where:

(a) The county committee is requiring an immediate payment on a note due to the fact that the applicant does not agree to participate in the 1942 Agricultural Conservation Program or where the applicant desires to pay the premium in cash.

(b) The applicant wishes to pay his note to the extent of the premium bushels based on the acreage allotment or permitted acreage for the farm(s) listed in paragraph 4 on Form FCI-212-W or on Form FCI-212A-W.

11. Where it is necessary to prepare paragraph 4, "Computation of Premium Bushels," the following information shall be inserted on such table:

(a) In column A, the 1942 Wheat Listing Sheet Farm number(s) for the farm(s) shown in paragraph 4 of Form FCI-212-W or on Form FCI-212A-W.

NOTE.—All the farms in the county in which the applicant has an interest at the time Form FCI-212-W is executed shall be shown on Form FCI-212-W or Form FCI-212A-W and the information for these same farms shall be listed on Form FCI-213-W. If Form FCI-219-W has been prepared by the county committee, any additional farms listed thereon that were not listed on Form FCI-212-W or Form FCI-212A-W will be listed in column A of paragraph 4 of Form FCI-213-W.

(b) In column B, the acreage allotment or permitted acreage, whichever is applicable, for those farms listed in column A. If Form FCI-219-W has been prepared, the seeded acreage not in excess of the acreage allotment or permitted acreage, whichever is applicable, shall be shown in column A.

(c) In column C, the total premium in bushels of wheat for each farm. The total premium in bushels of wheat shall be determined by mul-

tipling the acreage used for the computation of premium, shown in column B of Form FCI-213-W, by the premium rate, shown in column G of Form FCI-212-W, and the applicant's interest in the wheat crop, shown in column E of Form FCI-212-W. (Column B of Form FCI-213-W times column G of Form FCI-212-W times column E of Form FCI-212-W.)

In making this computation, first multiply the acreage by the premium rate and round the result to whole bushels. Then apply the applicant's interest in the wheat crop to the result and round the product to whole bushels.

In no case shall the total premium for any farm be less than one bushel.

(d) Add the total premium for each farm as shown in column C and insert the result in the first blank space under column C.

(e) Where a deposit for the premium is shown on Form FCI-214-W, the amount of this deposit in bushels shall be deducted from the total premium in column C, to determine the net premium in bushels.

This information shall be shown at the bottom of Form FCI-213-W in the following manner:

The deposit for future premiums... ——— bu.
Net premium..... ——— bu.

(f) Cash collections shall be converted into money orders and the money order fees shall be paid from the funds of the county agricultural conservation association as an expense of the crop insurance program.

E. Preparation of Form FCI-217-W.

The original of Form FCI-217-W and all collections must be forwarded to the branch office of the Corporation on the day that such cash collections are received in the office of the county committee. Since the Corporation is using Form FCI-217-W as a basis for wheat purchases, it is necessary that the original Form FCI-217-W be transmitted to the branch office each day that collections are received in the office of the county committee.

The following information shall be inserted on the original and two copies of Form FCI-217-W:

1. The state and county code.

2. The transmittal number of the Form FCI-217-W for the particular county.

The transmittal sheet number shall be assigned consecutively to each Form FCI-217-W beginning with number 1 for the first Form FCI-217-W prepared for each county.

3. The date that the cash collections were received in the office of the county committee.

4. In column A, the application number shown on Form FCI-212-W and Form FCI-213-W.

5. In column B, the name of the person making the payment as shown on Form FCI-213-W.

6. In column C, the bushels paid as shown on Form FCI-213-W.

7. In column D, the cash paid as shown in paragraph 1 of Form FCI-213-W.

8. Total columns C and D and insert the result in the spaces provided for such totals.

9. A member of the county committee, or other authorized representative of the county committee, shall indicate his approval of the Form FCI-217-W by signing in the space provided.

As indicated above, the original Form FCI-217-W shall be transmitted directly to the branch office of the Corporation listing all cash collections received on a particular day. One copy of the Form FCI-217-W will be forwarded to the office of the state committee and one copy retained in the office of the county committee.

SECTION IV. PREPARATION OF FORM FCI-215-W, "TRANSMITTAL SHEET—1942 WHEAT CROP INSURANCE APPLICATIONS"

A. Numbering of Forms FCI-212-W:

1. Application numbers shall be assigned consecutively to Forms FCI-212-W in the order in which such Forms FCI-212-W are received in the office of the county committee. This application number shall also be inserted on Form FCI-212A-W, if such form is attached to Form FCI-212-W.

If Form FCI-213-W is prepared in connec-

tion with the application, the same application number shall be shown on Form FCI-213-W as that assigned to the corresponding Form FCI-212-W. The state and county code shall be inserted on Form FCI-212-W, Form FCI-212A-W, and Form FCI-213-W.

One application number will be assigned to each application covering all farms in which the applicant executing Form FCI-212-W has an insurable interest.

B. Preparation of Form FCI-215-W:

Upon completion of the steps indicated in paragraph A above, prepare four copies of Form FCI-215-W inserting thereon the following information:

1. The applicable state and county code and transmittal sheet number assigned by the county committee.

(a) The transmittal sheet numbers shall be assigned consecutively to each transmittal sheet beginning with number 1 for the first Form FCI-215-W for each county.

2. *Column A.*—The application number as shown at the top of Form FCI-212-W.

3. *Column B.*—The name of the applicant shown in paragraph 1 of Form FCI-212-W. This name must agree with the signature of the applicant as it appears in paragraph 13 of Form FCI-212-W.

4. *Column C.*—The number of farms shown in paragraph 4 of Form FCI-212-W and Form FCI-212A-W.

5. *Column D.*—In every case where a suspension has been made by the county committee the words "Suspended by County Committee" shall be entered in the column headed "Remarks."

6. The total of the entries appearing in column C in the space provided at the bottom thereof.

7. A member of the county committee, or other authorized representative of the county committee, shall indicate his approval of Form FCI-215-W by signing in the space provided.

The original Form FCI-215-W shall be transmitted directly to the branch office of the Corporation by the office of the county committee on Monday of each week. All remaining copies of Form FCI-215-W, with the

exception of the county committee's copy, together with the related Forms FCI-212-W shall also be transmitted on Monday of each week to the office of the state committee.

C. Suspension of Forms FCI-212-W:

1. Where a Form FCI-212-W has been suspended from the original Form FCI-215-W, the cause for suspension should be cleared by the county committee as soon as possible. When the suspension is cleared or the county committee determines that the suspension cannot be cleared, Form FCI-212-W shall immediately be listed on a Form FCI-215-W plainly marked "Supplemental" in the space provided at the top of the form for the transmittal number.

In these cases a transmittal sheet number shall not be inserted on Form FCI-215-W.

2. The county committee shall insert in the column headed "Remarks" on such supplemental Form FCI-215-W a transmittal sheet number upon which Form FCI-212-W was originally listed. In order to provide a cross-reference to the original form FCI-215-W.

Distribution of these supplemental Forms FCI-215-W shall be made currently.

SECTION V. APPLICATIONS FOR FARMS NOT LISTED ON FORMS FCI-203-W

Where Forms FCI-212-W, including farm(s) not listed on Form FCI-203-W, are being submitted, the yields and rates for such farms shall be recommended and the supplementary listing sheets, Forms FCI-203-W, will be prepared in accordance with paragraph D of section V of Form FCI-201-W. The yields and rates established shall be inserted on Form FCI-212-W and Form FCI-212A-W in the regular manner. Form FCI-212-W, including farm(s) not listed on Form FCI-203-W, shall be accepted by the county committee on behalf of the Corporation in the regular manner.

However, the county committee shall attach a memorandum to Form FCI-212-W in

these cases and the Corporation will review the yields and rates shown on Form FCI-212-W to determine that such yields and rates are acceptable to the Corporation before Form FCI-218-W is issued by the branch office.

SECTION VI. COMBINATIONS, TRACTS OF A FARM VARYING WIDELY FROM THE REMAINDER OF SUCH FARM, DIVISIONS, FIELD-RENTED TRACTS, SPECIAL PRACTICES, IRRIGATED AND NONIRRIGATED LAND, WINTER AND SPRING WHEAT IN WHICH THE APPLICANT HAS AN INTEREST AT THE TIME OF SEEDING, AND OTHER UNUSUAL CASES

CASE 1. Where two or more farms listed separately on Form FCI-203-W have been combined into one farm.—In the event two or more farms shall have been listed separately on Form FCI-203-W because such farms were owned or operated by different persons, the yield and rate for each individual farm shall be inserted in paragraph 4 of Form FCI-212-W and Form FCI-212A-W even though such farms have been combined under one ownership and one operation in 1942.

Where it is necessary to compute the total premium in bushels of wheat in paragraph 4 of Form FCI-213-W before Form FCI-219-W is prepared, the acreage allotment or permitted acreage, whichever is applicable, shall be used as the basis for making the entry in column B of paragraph 4 of Form FCI-213-W.

Where it is necessary to compute the total premium in bushels of wheat in paragraph 4 of Form FCI-213-W after the wheat crop has been measured, the entry to be made in column B of paragraph 4 of Form FCI-213-W shall be the acreage used for computation of the premium as shown on the separate Form FCI-219-W which will be prepared for each farm listed on Form FCI-212-W.

In these cases, if a loss is sustained, a separate Statement in Proof of Loss (Form FCI-267-W) shall be prepared for each individual farm listed on Form FCI-212-W.

CASE 2. Where two or more farms or tracts are combined under one operation under the

Agricultural Conservation Program but under different ownerships.—If two or more tracts or farms are combined under one operation under the Agricultural Conservation Program but under different ownerships, paragraph 4 of Form FCI-212-W should show the information for each farm included in the combination in which the applicant has an interest. The information for each such farm so listed shall be inserted as a separate item.

Where it is necessary to compute the total premium in bushels in paragraph 4 of Form FCI-213-W before Form FCI-219-W is prepared, the entry to be inserted in column B of Form FCI-213-W shall be the acreage allotment or permitted acreage, whichever is applicable, for each of the farms included in the combination.

Where it is necessary to compute the total premium in bushels in paragraph 4 of Form FCI-213-W after the wheat crop has been measured, the entry to be made in column B of paragraph 4 of Form FCI-213-W shall be the acreage used for computation of premium as shown on Form FCI-219-W, prepared on the basis of the individual farms listed on Form FCI-212-W.

In these cases if a loss is sustained, a separate Statement in Proof of Loss (Form FCI-267-W) shall be prepared for each individual farm listed on Form FCI-212-W.

CASE 3. Where any tract or tracts of a farm vary widely from the remainder of such farm.—Where it is determined that the different tracts comprising a farm vary widely from the remainder of the farm in soil type, topography, productive capacity, or risk of loss, the county committee may appraise a yield and rate for each tract which will reflect such variations. Each tract should be listed separately in paragraph 4 of Form FCI-212-W submitted by the person or persons who have or expect to have an interest in the wheat crop to be seeded on the farm. The yield and rate established to reflect the variation between the tracts of the same farm shall be identified by inserting in columns F and G of paragraph 4 of Form FCI-212-W, immediately above the yield and rate, the word or words which will indicate the soil

type, topography, etc., upon which the appraisal of such yield and rate was based.

Where it is necessary to compute the total premium in bushels in paragraph 4 of Form FCI-213-W before Form FCI-219-W is prepared, insert in column B of paragraph 4 of Form FCI-213-W that portion of the 1942 wheat acreage allotment or permitted acreage, whichever is applicable, that the applicant intends to seed to wheat on each tract, for which a separate premium rate per acre has been established.

Where it is necessary to determine the total premium in bushels in paragraph 4 of Form FCI-213-W after the wheat crop has been measured, the acreage used for the computation of the premium for each tract indicated on Form FCI-219-W shall be inserted in column B of paragraph 4 of Form FCI-213-W.

Since these tracts are considered as one farm for purposes of the crop insurance program, one Form FCI-219-W shall be prepared listing all the tracts for the farm, and in the event a loss is sustained on such farm, one Statement in Proof of Loss (Form FCI-267-W) shall be prepared for the entire farm except those cases which are being divided or segregated into field-rented tracts in the manner outlined in case 4 and case 5 of this section.

The county committee shall prepare a memorandum in each of these cases indicating all the reasons for establishing a yield and premium rate for the individual tracts of the same farm. An appropriate notation shall be made on Form FCI-203-W which is filed in the office of the county committee. The original of this memorandum shall be attached to the original Form FCI-212-W, a copy attached to the state office copy of Form FCI-212-W, and a copy attached to the copy of Form FCI-212-W which is retained in the files of the county committee.

CASE 4. *Division of listing sheet farms.*—In case a farm listed on Form FCI-203-W is being divided on or before the date that Form FCI-212-W is submitted to the county committee, such division resulting from a difference in ownership or operation, the information relative to the entire farm before division, including the yield and the premium rate established

for the entire farm as shown on Form FCI-203-W, shall be inserted in paragraph 4 of all Forms FCI-212-W submitted by the person or persons who have or expect to have an interest in the wheat crop to be seeded on such farm.

Where it is necessary to compute the total premium in bushels in paragraph 4 of Form FCI-213-W *before* Form FCI-219-W is prepared, the entry to be made in column B of paragraph 4 of Form FCI-213-W shall be made on the basis of that part of the acreage allotment or permitted acreage, whichever is applicable, for the entire farm, which is applicable to each farm resulting from such division.

Where it is necessary to compute the total premium in bushels *after* the wheat crop has been measured, such premium shall be computed on the basis of the acreage used for computation of the premium as shown on a separate Form FCI-219-W which shall be prepared on the basis of the individual farms resulting from the division. Form FCI-219-W prepared on the basis of the individual farms resulting from the division will show the yield and rate applicable to the entire farm and it is on this basis, in the event of loss, that the Statement in Proof of Loss (Form FCI-267-W) shall be prepared.

Nothing in these instructions shall be construed as preventing the establishment of a yield and rate which differs from that shown on Form FCI-203-W because the different tracts composing the farm vary widely from the remainder of the farm in soil type, topography, productive capacity, or risk of loss in accordance with case 3 of this section. These yields and rates shall be listed in paragraph 4 of each Form FCI-212-W submitted by the person or persons who have or expect to have an interest in the wheat crop to be seeded on such farm.

CASE 5. *Field-rented tracts.*—In those cases where Form FCI-212-W is being submitted for field-rented tracts, two or more of which make up a farm under the Agricultural Conservation Program, the yield per acre and premium rate for each of these tracts shall be the yield and premium rate established for the entire farm as shown on Form FCI-203-W.

Where it is necessary to compute the total premium due in connection with the field-rented tract before Form FCI-219-W is prepared, the entry to be made in column B of paragraph 4 of Form FCI-213-W shall be that portion of the 1942 wheat acreage allotment or permitted acreage, whichever is applicable, that the applicant intends to seed to wheat on each tract.

Where it is necessary to compute the total premium due in connection with the field-rented tract after the wheat crop has been measured, the entry to be made in column B of paragraph 4 of Form FCI-213-W shall be the acreage used for computation of premium as shown on Form FCI-219-W prepared on the basis of such field-rented tract.

If a loss is sustained, a separate Statement in Proof of Loss (Form FCI-267-W) shall be prepared for each field-rented tract listed on Form FCI-212-W.

Nothing in these instructions shall be construed as preventing the establishment of a yield and rate which differs from that shown on Form FCI-203-W because the different tracts composing the farm vary widely from the remainder of the farm in soil type, topography, productive capacity, or risk of loss in accordance with case 3 of this section. These yields and rates shall be listed in paragraph 4 of each Form FCI-212-W submitted by the person or persons who have or expect to have an interest in the wheat crop to be seeded on such farm.

CASE 6. *Special practices.*—Where the yields and premium rates are shown on special practice listing sheets, the yield and premium rate for each practice shall be set forth in paragraph 4 of Form FCI-212-W. The identifying letters indicating the practices should be entered in column A of paragraph 4 immediately following the 1942 wheat listing sheet farm number in the manner outlined in paragraph 1 (a) of subsection D of section II of this procedure.

Where it is necessary to determine the total premium in bushels in paragraph 4 of Form FCI-213-W *before* Form FCI-219-W is prepared, that portion of the 1942 wheat acreage allotment or permitted acreage, whichever is applicable, that the applicant intends to seed to wheat under each practice shall be inserted

in column B of paragraph 4 of Form FCI-213-W.

Where it is necessary to determine the total premium in bushels in paragraph 4 of Form FCI-213-W *after* the wheat crop has been measured, the acreage used for the computation of premium for each special practice indicated on Form FCI-219-W shall be inserted in column B of paragraph 4 of Form FCI-213-W. One Form FCI-219-W shall be prepared for each farm on which special practices are being followed and the yield and rate for each practice listed on such Form FCI-219-W.

Where separate yields and premium rates are shown on a general listing sheet (Form FCI-203-W) for irrigated and nonirrigated portions of the same farm, one Form FCI-219-W shall indicate the yield and rate applicable to the irrigated portion and another Form FCI-219-W shall show the yield and rate applicable to the nonirrigated portion of the farm in accordance with instructions outlined in case 7 of this section.

If a Statement in Proof of Loss (Form FCI-267-W) is submitted, such form shall be prepared in the same manner as Form FCI-219-W; that is, one Statement in Proof of Loss (Form FCI-267-W) should be prepared for each farm listed on Form FCI-212-W on which special practices are being followed.

Where separate yields and premium rates have been established on a general listing sheet, Form FCI-203-W, for irrigated and nonirrigated portions of the same farm, separate Forms FCI-267-W shall be prepared in accordance with the instructions outlined in case 7 of this section.

CASE 7. *Irrigated and nonirrigated land.*—Where a farm contains both irrigated and nonirrigated land and separate yields and premium rates have been established on a general listing sheet (Form FCI-203-W), for each such portion of the farm, the irrigated and nonirrigated portions shall be considered separate farms and shall be listed separately in paragraph 4 of Form

FCI-212-W with an identifying letter inserted in column A immediately following the listing sheet farm number to indicate the practice being followed.

Where it is necessary to compute the total premium in bushels due in connection with either the irrigated or nonirrigated portion of the farm before Form FCI-219-W is prepared, the entry to be made in column B of paragraph 4 of Form FCI-213-W shall be that portion of the 1942 wheat acreage allotment or permitted acreage, whichever is applicable, for the entire farm that the applicant intends to seed to wheat on the portion of the farm for which the premium is being computed.

Where it is necessary to compute the total premium in bushels due in connection with the irrigated and nonirrigated portion of the farm after the wheat crop has been measured, the entry to be made in column B of paragraph 4 of Form FCI-213-W shall be the acreage used for computation of the premium as shown on the separate Form FCI-219-W prepared in connection with the portion of the farm for which the premium is to be computed.

Since, in these cases the irrigated and non-irrigated portions are considered as separate farms, a separate Form FCI-219-W should be prepared in connection with each such portion and in the event a loss is sustained on either the irrigated or nonirrigated portions, a separate Form FCI-267-W should be prepared in connection with each such portion.

Where the yields and premium rates for irrigated and nonirrigated portions of the same farm are shown on a special practice listing sheet (Form FCI-203-W), the case involving irrigated and nonirrigated practices should be handled in accordance with the instructions relative to special practices outlined in case 6.

CASE 8. *Winter and spring wheat in which the applicant has an interest at the time of seeding.*—In those areas where winter and spring wheat are seeded and Form FCI-212-W is submitted after the closing date for winter wheat applications (August 30, 1941), the county committee shall *not* accept such applications until it has been determined that winter wheat will not be seeded on any of the farms

covered by Form FCI-212-W. These Forms FCI-212-W shall be retained in the county office until such determination has been made. If winter wheat is not seeded on any of the farms covered by Form FCI-212-W, the county committee may accept and transmit such applications in the regular manner. However, if winter wheat is seeded on any of the farms covered by Form FCI-212-W, the application shall not be accepted by the county committee and the accompanying memorandum shall set forth the reasons for such nonacceptance. Such unaccepted Forms FCI-212-W shall be transmitted to the state office in the regular manner.

CASE 9. *Other unusual cases.*—All other cases not covered specifically by this procedure shall be handled in accordance with General Procedure 4, "Procedure for Handling Individual Cases."

SECTION VII. RECOMPUTATION OF DEPOSIT

If the class of wheat designated on Form FCI-212-W differs from that shown on Form FCI-214-W, the deposit shall be recomputed by multiplying the deposit in bushels of wheat by the basic market price, less price differential, for the class of wheat specified on Form FCI-214-W and dividing the result by the basic market price, less price differential, for the class of wheat specified on Form FCI-212-W.

The deposit shall be shown in bushels of wheat. Each application for which the deposit has been recomputed should be accompanied by a work sheet showing the data used in determining the recomputed deposit. The original of this work sheet should be attached to the original of Form FCI-212-W, and a copy attached to the state office copy of Form FCI-212-W when Form FCI-212-W is forwarded to the office of the state committee. A copy shall also be attached to the county office copy of Form FCI-212-W.

Transfers of deposits between counties in the same or different states may not be made without the approval of the Corporation. In the event the depositor has moved to a different county, the deposit made in the county in which he insured his 1941 wheat crop will be refunded

by the Corporation, unless the deposit has been recomputed by the Corporation prior to the time that Form FCI-212-W is prepared. Where deposits are to be transferred from one county to another, the county committee should request the state committee to recompute the amount of the deposit.

SECTION VIII. PREPARATION OF FORM FCI-202-W, "AGREEMENT"

A. Form FCI-202-W provides a means of correcting or supplementing certain entries appearing on Form FCI-212-W or Form FCI-212A-W after such forms have been listed on Form FCI-215-W. Form FCI-202-W shall *not* be used to obtain a correction of the signature of the insured as shown in paragraph 13 of Form FCI-212-W. In the event the signature of the insured has not been properly affixed to Form FCI-212-W or the person signing on behalf of the insured did not have authority to act in such capacity, a complete statement of facts shall be prepared by the county committee and attached to Form FCI-212-W. If Form FCI-212-W has been previously transmitted to the office of the State committee, a complete statement of facts should be forwarded immediately to the office of the State committee giving the reasons for taking exception to the insured's signature as affixed on Form FCI-212-W.

B. Prepare five copies of Form FCI-202-W in the following manner:

1. Indicate the state and county code and application number in the space provided in the upper right corner of Form FCI-202-W.

2. Type or print in paragraph 1 the name of the insured.

3. Enter in paragraph 2 the number and title of the application form, that is, Form FCI-212-W, "Application for Wheat Crop Insurance."

4. Enter in paragraph 2 in the space provided the correction or revision that is to be made on Form FCI-212-W.

A reference should be made to the particular item of Form FCI-212-W or Form FCI-212A-W that is being revised or corrected.

5. Where the percent insurance is changed or the average yield is reduced or the premium rate per acre is increased after Form FCI-212-W has been listed on Form FCI-215-W, the insured shall date and sign in the spaces provided in paragraph 2. It will not be necessary to obtain the signature of the insured to any changes other than those outlined above, as the signature of a member of the county committee or a member of the state committee will suffice.

6. The signature of a member of the county committee or a member of the state committee together with the date of such signature shall be shown in paragraph 3.

7. Indicate by check (✓) in the spaces provided in paragraph 5 the office originating Form FCI-202-W.

SECTION IX. APPLICATIONS SUSPENDED BY STATE COMMITTEE

A. General.

The correction of Forms FCI-212-W suspended by the state committee shall be accomplished by the preparation of Form FCI-202-W. Accordingly, all Forms FCI-212-W received by the office of the state committee shall be transmitted eventually to the branch office of the Corporation. Therefore, the state committee shall not transmit Forms FCI-212-W to the office of the county committee for correction as all such corrections will be recorded on Form FCI-202-W, which will become a part of the related Form FCI-212-W.

Form FCI-202-W shall *not* be used to obtain a correction of the signature of the insured. In the event it is determined that the signature of the insured has not been properly affixed to Form FCI-212-W or the person signing on behalf of the insured did not have authority to act in such a capacity, the State committee should request the county committee to furnish a statement of all the facts in the case and such case shall be handled in accordance with the instructions set forth in General Procedure 4.

B. Corrections by Use of Form FCI-202-W.

1. **BY THE INSURED.**—It will be necessary to obtain the signature of the insured in para-

graph 2 of Form FCI-202-W only in those cases where the average yield is reduced, the premium rate is increased, or the insured percentage is changed after Form FCI-212-W has been listed on Form FCI-215-W by the county committee. The signature of the insured on Form FCI-202-W should be the same as that shown on the related Form FCI-212-W except where Form FCI-202-W is executed by a person who signs as fiduciary or agent, or in a representative capacity. In such cases the county committee shall have determined that such fiduciary, agent, or representative has authority to act in the capacity shown. In these cases, Form FCI-202-W shall be prepared by the State committee in the manner outlined in section VIII of this procedure, and all copies, with the exception of the originating office copy, shall be forwarded to the office of the county committee.

As noted above, Forms FCI-212-W shall *not* be returned to the office of the county committee.

2. **BY THE COUNTY COMMITTEE.**—A member of the county committee shall insert his signature and the date of such signature in paragraph 3 of all Forms FCI-202-W, which are signed by the insured, and also all Forms FCI-202-W which are originated by the county committee.

3. **BY THE STATE COMMITTEE.**—Where the necessary corrections or revisions are discovered by the state committee, Form FCI-202-W shall be prepared by the State committee in accordance with the instructions outlined in section VIII of this procedure. If the average yield, the premium rate, or the insured percentage is changed as a result of such corrections, all copies of Form FCI-202-W, with the exception of the originating office copy, shall be transmitted to the office of the county committee to obtain the signature of the insured and the approval of the county committee.

As any other change does not require the signature of the insured, the necessary corrections discovered by the State committee shall also be listed on Form FCI-202-W, but it will not be necessary to transmit the Form FCI-202-W to

the office of the county committee for securing the signature of a county committeeman as the signature of the State committee will suffice. However, the State committee shall furnish the county committee with a copy of Form FCI-202-W in order that the county committee may be informed of the change made in the office of the State committee.

C. Notations on Form FCI-212-W.

In every case where Form FCI-202-W is prepared, the originating office copy shall be attached to the related Form FCI-212-W, which is filed in the originating office. In addition, the necessary changes should be indicated on Form FCI-212-W or Form FCI-212A-W by striking through the incorrect entry and entering the correct data. Furthermore, when distribution of the copies of Form FCI-202-W is made in accordance with section XIII of this procedure, the approved copy of Form FCI-202-W shall be attached to the related copy of Form FCI-212-W which is filed in the respective office.

D. Transmittal of Forms FCI-202-W.

Those Forms FCI-202-W which were prepared by the state committee and forwarded to the office of the county committee to obtain the signature of the insured and the approval of the county committee shall be returned to the office of the State committee listed on a Form FCI-215-W, prepared in the regular manner, except that the words, "Form FCI-202-W," will be shown in the space provided for transmittal number and no entry should be shown in column C for the number of farms shown in paragraph 4 of Form FCI-212-W.

Where Form FCI-202-W prepared by the state committee does not require the signature of the insured, a member of the State committee shall affix his signature and insert the current date in the spaces provided therefor on Form FCI-202-W. In these cases the county committee's copy and the insured's copy of form FCI-202-W shall be forwarded to the office of the county committee. The original shall be attached to the related Form FCI-212-W before such Form FCI-212-W is forwarded to the branch office of the Corporation.

SECTION X. FORM FCI-216-W, "ACKNOWLEDGMENT OF FORMS FCI-217-W, RECEIPTS AND CASH COLLECTIONS"

Upon receipt of the original (salmon copy) of Form FCI-216-W, note the remarks listed on this form and make the necessary corrections on all forms in the office of the county committee which are affected by such changes.

SECTION XI. NOTICE OF CONFIRMATION

Upon receipt of Form FCI-218-W, attach such form to the copy of Form FCI-212-W in the files of the office of the county committee.

SECTION XII. ASSIGNMENTS AND TRANSFERS OF INTEREST

A. Signatures.

To determine whether a signature has been properly affixed or whether a fiduciary who has signed in a representative capacity has authority to act in the capacity shown, the county committee should be guided by the instructions set forth in Form ACP-16, "Instructions on Signatures and Authorizations."

In those cases where the county committee is not absolutely certain that the person signing Form FCI-220-W or Form FCI-221-W has authority to act, evidence of such authority shall be obtained and filed in the county office. In case any notice of confirmation is, or will be, issued in the names of two or more persons jointly, and the insurance contract is assigned or transferred, a Form FCI-220-W or a Form FCI-221-W, whichever is applicable, shall be executed jointly.

B. Limitations on Transfers and Assignments.

1. TRANSFERS.—As provided in part VIII of Form FCI-Regulations 201-W, "1942 Wheat Crop Insurance Regulations," any indemnity payable in connection with the loss sustained on an insured farm will be payable to the person(s) having the interest, which was covered by the insurance contract, as of the time of loss provided that such person(s) acquired their

interest *after* the beginning of the seeding of the wheat crop on the insured farm.

Where all or part of the entire interest in the wheat crop on a farm covered by an insurance contract is transferred to another person *before* the beginning of the seeding of the wheat crop, such interest as is transferred will not be covered by insurance unless the person receiving such interest has filed before the closing date Form FCI-212-W in the office of the county committee for the county in which the farm is located.

2. ASSIGNMENTS.—An insurance contract may be assigned as collateral security for:

(a) *A current loan.*—By current loan is meant the amount of the indebtedness for the particular crop year, and not the carry-over of a preceding year's indebtedness which is placed in the status of a current loan merely by the inclusion in a current note or other evidence of indebtedness.

(b) *Current advances for equipment or supplies to assist in the making of a crop for the current crop year.*—These current advances may include the current annual installment on equipment but shall not include any past due installments carried over from other crop years.

(c) *Payments due under existing agreements.*—The amount of the current year's rental due under a leasing agreement with respect to the farm upon which the insured crop is or will be seeded, or the amount of the current annual installment due under a purchase, mortgage, or trust agreement covering the purchase of the farm upon which the insured crop is or will be seeded, and an additional amount of any delinquency which may be due under the purchase, mortgage, or trust agreement of not to exceed the amount of the current annual installment including interest and taxes.

C. Effect of Assignments.

All assignments shall be subject in all respects to the provisions of the insurance contract.

D. Collateral Assignment of Insurance Contract.

1. GENERAL.—Form FCI-220-W, "Collateral Assignment," is prescribed by the Corporation

for use in all cases where assignments are being made. Assignments may be made at any time after the application is accepted by the county committee on behalf of the Corporation, subject to the approval of the Corporation and to the conditions set forth in FCI-Regulations 201-W.

2. Only one collateral assignment will be recognized in connection with an insurance contract. Form FCI-220-W may not be executed with respect to individual farms within a county but must relate to the entire insurance contract. A release, however, may be executed for a collateral assignment previously signed and a new assignment may be executed in favor of the original assignee or another.

3. APPROVAL.—The approval of Form FCI-220-W by the Corporation will be evidenced by the signature of the Manager and the counter-signature of a member of the county committee. The approval of an assignment by the county committee on behalf of the Corporation shall not create in the assignee any right other than that derived from the assignor.

The original and two copies of all approved Forms FCI-220-W shall be retained in the office of the county committee until the first Form FCI-267-W, "Statement in Proof of Loss," executed in connection with the insurance contract, is submitted to the office of the State committee. Form FCI-220-W shall accompany the first Form FCI-267-W, submitted in connection with the insurance contract covered by the collateral assignment at the time that such Form FCI-267-W is submitted to the State office.

4. PREPARATION AND EXECUTION OF FORMS FCI-220-W.—The following information shall be inserted on the original and four copies of Form FCI-220-W:

(a) The state and county code and application number.

(b) *In Part I.*—(1) The typed or printed name of the assignor and his full mail address. Determine that the name of the assignor is the same as that shown on Form-212-W, and Form FCI-218-W, if issued.

(2) The names of the county and state in which the assignor resides.

(3) The amount of the cash consideration.

(4) The typed or printed name of the assignee and his full mail address.

(5) The names of the county and state in which the assignee resides.

(6) The signature of the assignor.

(7) The signature of a disinterested person witnessing the signature of the assignor.

(8) The date Form FCI-220-W is signed by the assignor.

(9) The signature of the assignee.

(10) The signature of a disinterested person witnessing the signature of the assignee.

(11) The date Form FCI-220-W is signed by the assignee.

(12) The date and hour that the assignment was filed in the county office shall be inserted.

(c) *In Part II.*—Where Form FCI-220-W has been examined by a representative of the county committee and found to be acceptable to the Corporation, a member of the county committee shall sign in the space provided in part II. The date and place of signature shall also be inserted.

5. EXECUTION OF PART III.—If at the time of loss the indebtedness has been liquidated in whole or in part, the assignee shall execute the original and four copies of part III, Representations of Assignee, of the same or *another* set of Form FCI-220-W, indicating therein the amount of indebtedness still undischarged by the assignor. In the event the indebtedness has been fully liquidated at the time of loss, a memorandum of release prepared in accordance with the instructions given below in paragraph 6 of subsection D will serve the same purpose as the execution of part III of Form FCI-220-W. If part III of another set of Form FCI-220-W has been executed, a copy shall be transmitted to the assignor, a copy transmitted to the assignee, and the original and two copies attached to the respective original and two copies of Form FCI-220-W which have been retained in the county office.

Forms FCI-220-W together with attachments, if any, shall be carefully filed in the county office as in the event of loss these forms must be examined to ascertain the status of the indebtedness. If the indebtedness has been fully liquidated, Form FCI-220-W shall be re-

tained in the county office. However, if there is still an amount due the assignee at the time of loss, the original and one copy of Form FCI-220-W with attachments, if any, shall be forwarded to the office of the state committee with the first Form FCI-267-W submitted in connection with the insurance contract covered by Form FCI-220-W.

6. MEMORANDUM OF RELEASE OF ASSIGNMENT.—When the indebtedness with respect to which the assignment was given is paid or otherwise discharged prior to the time an indemnity payment is made by the Corporation to the assignor, a memorandum of release may be executed in lieu of part III of another Form FCI-220-W. This memorandum of release must be prepared in writing setting forth the name of the assignor and his full mail address and the place and date of execution and must be signed by the assignee in the presence of a disinterested person who shall sign the memorandum as a witness to the assignee's signature. In the event of the death, incompetency, insolvency, or bankruptcy of the assignee, the release memorandum must be executed by the person or persons authorized by law to administer the personal estate of the assignee. Proper evidence of the authority of such person or persons must be presented in accordance with Form ACP-16.

Upon execution of a release, it should be delivered to the county committee for the county in which the farm covered by the insurance contract is located. This memorandum of release will be attached to the copies of Form FCI-220-W filed in the county office and no further action with respect to the related Form FCI-220-W need be taken.

7. In every case where Form FCI-220-W is executed, a notation shall be placed on the related Form FCI-212-W which is maintained in the files of the office of the county committee in order that the collateral assignment may not be overlooked at the time the first Form FCI-267-W, "Statement in Proof of Loss," executed in connection with the insurance contract covered by Form FCI-220-W is submitted to the office of the state committee.

E. Notice of Transfer.

Form FCI-108-W, "Notice of Transfer, Harvest, Removal, or Other Use of Wheat Crop," is prescribed by the Corporation as the form to be used in advising the county committee of all cases of transfers of interest or transfers of acreage. Form FCI-108-W shall be made available to all insured persons for use in every case of transfer.

1. PREPARATION AND EXECUTION OF FORM FCI-108-W.—Immediately after a transfer has taken place, the insured shall prepare part I of Form FCI-108-W and shall forward such form to the office of the county committee.

F. Record of Transfer.

Where a transfer of all or a portion of the interest, a transfer of an entire interest in a portion of the acreage, or the transfer of a part of the interest in the portion of the acreage is effected *after* the beginning of the seeding of the wheat crop, Form FCI-221-W, "Record of Transfer," shall be prepared by the county committee based upon the information contained in Form FCI-108-W, or upon other reliable information.

Where a transfer of interest or transfer of acreage is being effected, a separate Form FCI-221-W shall be executed with respect to each farm affected by such transfer and covered by the wheat crop insurance contract.

It will not be necessary to prepare Form FCI-221-W to record those transfers taking place *before* the beginning of the seeding of the wheat crop as Form FCI-219-W will reflect the interest in the wheat crop at the time of the beginning of the seeding of such wheat crop.

The distribution of Form FCI-221-W shall be made in accordance with paragraph K of section XIII of this procedure.

The county committee shall supervise the preparation of Form FCI-221-W, as such form will be used as a basis for the division of the premium to be collected from the transferor and transferee. This division of the premium payment will be made at the time that Form FCI-219-W and Form FCI-222-W are prepared in the office of the county committee.

All indemnity payments under the 1942 Crop

Insurance Program will be made to the person(s) having an interest in the wheat crop which was insured at the time of loss as defined in the 1942 Wheat Crop Insurance Regulations.

The following information shall be inserted on the original and two copies of Form FCI-221-W:

1. The state and county code and application number.

2. The agricultural conservation program farm number.

3. The crop insurance farm identification number in those cases where Form FCI-221-W is prepared after Form FCI-219-W has been prepared.

4. The typed or printed name of the transferor.

5. The full mailing address of the transferor.

6. The date of the transfer.

7. The typed or printed name of the transferee.

8. The full mailing address of the transferee.

9. In paragraph 1, if all or a portion of the interest in the entire insured crop has been transferred:

(a) The amount in percent which represents the percentage of the transferor's interest in the insurance contract that is being transferred.

(b) Enter in the next two spaces provided, the percentage of interest that the transferee and the transferor, respectively, will have in the wheat crop on the farm covered by the insurance contract after the transfer is effected.

10. In paragraph 2, where the entire interest in a portion of the wheat acreage is transferred, the number of acres in which the entire interest is transferred.

11. In item 3, where part of the interest in a portion of the wheat acreage is transferred:

(a) The amount in percentage which represents the percentage interest in the acreage being transferred.

(b) The acreage in which a part of the interest is being transferred.

12. The approval on behalf of the county committee shall be evidenced by the signature of a county committeeman or other authorized representative of the county committee with the date of such approval.

SECTION XIII. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-202-W, "Agreement."

1. Original (white) forwarded to the branch office.

2. Copy (yellow) transmitted to the insured.

3. Copy (green) filed in the office of the state committee.

4. Copy (salmon) filed in the office of the county committee.

5. Copy (white) retained by office originating Form FCI-202-W.

NOTE.—Before Form FCI-202-W indicating the corrections is filed, each office shall enter the corrected data on the original form and attach Form FCI-202-W¹ to the form being corrected.

B. Form FCI-212-W, "Application for Wheat Crop Insurance."

1. Original (white) forwarded to office of the state committee for transmittal to the branch office.

2. Copy (yellow) given to the applicant.

(a) Before the applicant signs Form FCI-212-W, the county committee shall furnish him with a copy of the 1942 Wheat Crop Insurance Regulations.

(b) The applicant shall not be given his copy of Form FCI-212-W until the certification and acceptance by the county committee has been properly executed.

3. Copy (green) for state office files.

4. Copy (salmon) retained in the county office files.

C. Form FCI-212A-W, "Continuation Sheet, Paragraph 4, Representations of Applicant."

The distribution of Form FCI-212A-W will correspond with the distribution of Form FCI-212-W.

D. Form FCI-213-W, "Receipt."

1. Original (white) given to the applicant at the time of payment.

2. Copy (yellow) forwarded directly to the

branch office, accompanied by premium collections, together with Form FCI-217-W.

3. Copy (green) transmitted to the office of the State committee for filing.

4. Copy (salmon) retained in the files of the office of the county committee.

E. Form FCI-214-W, "Deposits To Be Applied Toward Payment of Premiums."

1. Original (white) forwarded by branch office through the State office to the office of the county committee.

2. Copy (green) forwarded by branch office to the office of the State committee for filing.

3. Copy (yellow) retained in branch office files.

F. Form FCI-215-W, "Transmittal Sheet—1942 Wheat Crop Insurance Applications."

1. Original (white) transmitted direct to the branch office on Monday of each week.

2. Copy (green) forwarded to the office of the State committee at the time Forms FCI-212-W are sent to the office of the State committee on Monday of each week.

3. Copy (yellow) forwarded to the office of the State committee at the time Forms FCI-212-W are sent to the office of the State committee and will be transmitted to the branch office with Forms FCI-212-W.

4. Copy (salmon) retained in the files of the county office.

G. Form FCI-216-W, "Acknowledgment of Forms FCI-217-W, Receipts and Cash Collections."

1. Original (salmon) transmitted by branch office to office of the State committee for forwarding to the office of the county committee.

2. Copy (green) forwarded by branch office to the office of the State committee for filing.

3. Copy (yellow) retained in the branch office files.

H. Form FCI-217-W, "Record of Receipts and Cash Collections."

1. Original (white) forwarded *daily* direct to

the branch office as collections are received accompanied by Form FCI-213-W and cash items.

2. Copy (green) sent to the office of the State committee for filing.

3. Copy (salmon) retained in the files of the office of the county committee.

I. Form FCI-218-W, "Notice of Confirmation."

1. Original (white) sent to the applicant by the branch office.

2. Copy (yellow) retained in branch office files.

3. Copy (green) forwarded by branch office to office of the State committee for filing.

4. Copy (salmon) will be forwarded by branch office to the office of the State committee for forwarding to the office of the county committee, where it shall be attached to county office copy of Form FCI-212-W.

J. Form FCI-220-W, "Collateral Assignment."

1. Original and two copies retained in files of the office of the county committee.

If, in the event of loss, the amount of indebtedness has not been fully liquidated, the original and one copy of Form FCI-220-W with attachments, if any, are to be forwarded to the office of the state committee with the first Form FCI-267-W.

However, if the amount of indebtedness covered by the assignment has been fully liquidated, Form FCI-220-W with attachments, if any, shall be retained in the files of the office of the county committee.

2. Copy to the Assignor.

3. Copy to the Assignee.

K. Form FCI-221-W, "Record of Transfer."

Original and two copies retained in the files of the office of the county committee until the related Form FCI-219-W is transmitted to the office of the state committee. Where Form FCI-221-W is prepared after the related Form FCI-219-W has been forwarded to the office of the state committee, the original and one copy of Form FCI-221-W shall be currently transmitted to the office of the state committee.

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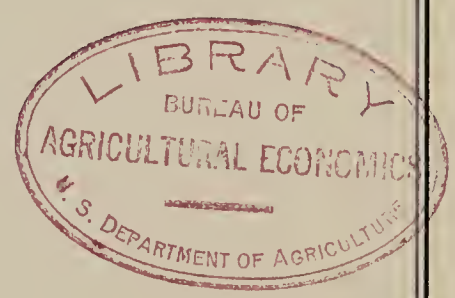
Form FCI-211-W
COUNTY APPLICATION PROCEDURE

SECTIONS XIV AND XV OF THE COUNTY APPLICATION PROCEDURE

NOTICE OF SEEDING

WHEAT CROP INSURANCE

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no. 211W
Sect. 14+15
NOV 19 1941



UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
WASHINGTON, D. C.

Issued September 1941

SECTIONS XIV AND XV OF THE COUNTY APPLICATION PROCEDURE

SECTION XIV. NOTICE OF SEEDING

A. Form FCI-219-W, Notice of Seeding.

Form FCI-219-W is prescribed by the Corporation as the form to be used for the purpose of indicating the acreage seeded to wheat on the farm, and any change from the acreage and practices specified on Form FCI-212-W. As the determination of the total insured production under the insurance contract, pursuant to the 1942 Wheat Crop Insurance Regulations, will be made on the basis of Form FCI-219-W, a properly executed Form FCI-219-W shall be prepared and submitted for the insured's interest in each separate farm at the time of the beginning of the seeding of the wheat crop on such farm. The insured's copy of Form FCI-219-W shall be forwarded to the State office for verification. If corrections are necessary, such corrections shall be made on all copies of Form FCI-219-W and the state office shall return the insured's copy to the county committee for transmittal to the insured.

It shall be the responsibility of the county committee to prepare a Form FCI-219-W for each insured's interest in every farm in the county in which such insured has an interest in the wheat crop at the time of the beginning of the seeding of the wheat crop on such farm.

Before Form FCI-219-W is prepared by the county committee, notification to the insured of the measured wheat acreage should be issued in accordance with the instructions issued by the Agricultural Adjustment Administration.

B. Form FCI-222-W, 1942 Wheat Notices of Seeding—Transmittal Sheet.

Forms FCI-219-W, together with the related Forms FCI-222-W, should be submitted to the

State office *at least 3 weeks* before the maturity date of the notes for the particular State in order that such forms may be examined by the State committee and routed to the branch office of the Corporation before such maturity date.

Form FCI-222-W together with Forms FCI-219-W shall be submitted to the State office for verification. The State committee will forward the necessary copies to the branch office of the Corporation.

When the measurement of the seeded acreage is completed, every application number shown on Form FCI-215-W shall be listed on Form FCI-222-W in the proper numerical order by application number, and under each application number, the farms covered by the particular application shall be listed in numerical order by the *listing sheet farm number*. In those cases where Form FCI-219-W is delayed for any reason, the crop insurance application number should be indicated in column A in the proper numerical order, the listing sheet farm number in column B, and the name of the insured indicated in column C, but the information in columns D, E, F, G, H, I, J, and K shall not be inserted. The word "Delayed" shall be inserted in column D of Form FCI-222-W opposite the appropriate wheat listing sheet number.

However, as an indemnity claim cannot be approved for payment by the branch office prior to the receipt of the related Forms FCI-219-W, in those cases where Forms FCI-219-W have not previously been transmitted to the State office, the related Forms FCI-219-W covering the insured's interest in every farm in the county in which such insured has an interest in the wheat crop at the beginning of the seeding of the wheat crop, together with Forms FCI-222-W, shall accompany Form FCI-267-

W, "Statement in Proof of Loss," to the State office.

C. Preparation of Form FCI-219-W.

The original and three copies of Form FCI-219-W shall be prepared in the county office as follows:

1. (a) Enter the State and county code and application number. These numbers should agree with those shown on Form FCI-212-W.

(b) Enter the 1942 wheat listing sheet farm number, as shown in column 1 of Form FCI-203-W.

(c) Enter the application numbers of other insurance contracts covering another insured's interest, if any, on this same farm at the time of the beginning of the seeding of the wheat crop.

2. Type or print the name and address of the insured.

(a) This name should agree with the name appearing in paragraph 1 of a Form FCI-212-W properly executed by the insured. It is to be noted that transfers of interest or transfers of acreage occurring after the beginning of the seeding of the wheat crop will be reported by the preparation of Form FCI-221-W.

3. Indicate by check mark (✓) in the spaces provided the relationship of the insured to the farm; that is, whether landlord, tenant, or owner-operator.

4. Enter in column A of part I:

(a) In counties where only general listing sheets have been prepared and yields have been established for farms which will be applicable only if certain practices are followed and if such practices are not followed an adjustment of total production would need to be made under the 1942 Wheat Crop Insurance Regulations, there shall be entered in column A the word(s) which will distinguish such practice as "Irrigated," "Nonirrigated," "Fertilizer," "Durum," "Spring," "Winter," etc.

(b) Where the yield and rate procedure for special practice(s) *has been* followed in the county, list in column A the practices being followed on the farm. In the event that separate yields and premium rates for special prac-

tices *have not been* established for the farm in a special practice county, the word "General" should be inserted in this column.

(c) In areas where both winter and spring wheat are seeded, there shall be entered in column A, the word(s) "Spring," "Winter."

No entries other than those specified above need be made in column A.

5. Enter in column B the acreage seeded to wheat on the farm.

(a) The entry in this column should represent the acreage determined by the Agricultural Adjustment Administration to have been seeded to wheat except that it shall not include volunteer or self-seeded wheat, succotash, or true-type winter wheat seeded in the spring.

(b) Where special practices are being followed enter the number of acres seeded under each special practice opposite the practice as listed in column A.

(c) Where more than one interest is shown in column F, separate acreages shall be inserted in column B.

6. Enter in column C the maximum insurable acreage, *only* in those cases where the total acres seeded, as shown in column B exceeds the maximum insurable acreage as determined in accordance with FCI-Regulations 201-W. (See case 10 of sec. XV of this procedure.)

No entry shall appear in this column where the acres seeded is not in excess of the maximum insurable acreage.

7. Enter in column D the average yield per acre for the farm as shown in column 16 of Form FCI-203-W.

(a) For those farms on which special practices are recognized, the average yield as approved by the Corporation for each special practice being followed on the farm shall be entered in column D on the line on which the special practice is shown.

(b) Where the applicant has appealed his average yield and such appeal has been properly approved, enter the adjusted average yield as shown to have been approved by the appeal. In such cases insert the following notation in part I of Form FCI-219-W: "Appealed yield approved." In those cases in which appeals

have been submitted to the State office, but have not as yet been approved or rejected, the Forms FCI-219-W prepared in connection therewith shall be handled as delayed cases until the county office is advised of the action taken on the appeals.

8. Enter in column E the insured percentage as shown on Form FCI-212-W, executed by the person whose name appears at the top of Form FCI-219-W.

9. Enter in column F the insured's interest in the wheat crop existing at the time of the beginning of the seeding of the wheat crop.

If the applicant had no interest in the wheat crop at the beginning of the seeding of such wheat crop, a member of the county committee shall certify that such is the case by placing the following notation in part I of Form FCI-219-W:

"The insured, named above, had no interest in the wheat crop seeded on the farm covered by the above-identified insurance contract at the time of the beginning of the seeding of such wheat crop."

10. Enter in column G the product of the total acres seeded or the maximum insurable acreage, whichever is applicable, the average yield for the farm, the insured percentage, and the insured's interest in the wheat crop (B or CXDXEXF).

In making this computation, round to whole bushels after each computation as follows: Multiply B or C times D and round to whole bushels; multiply the result in whole bushels by E and round to whole bushels; multiply this result by F and round to whole bushels to obtain the entry for column G.

If more than one farming practice is shown in column A or if more than one interest is shown in column F, compute the insured production for each practice or interest as outlined above. The total of the figures appearing in column G should be entered at the bottom of this column.

11. Enter in column H the premium rate per acre for the farm as shown in column 24 of Form FCI-203-W.

Where the applicant has appealed his premium rate and such appeal *has been* properly approved, enter the premium rate as shown to have been approved by the appeal. In such cases insert the following notation in part I of Form FCI-219-W: "Appealed premium rate approved."

In those cases in which appeals have been submitted to the State office but *have not* as yet been approved or rejected, the Forms FCI-219-W prepared in connection therewith shall be handled as delayed cases until the county office is advised of the action taken on the appeals.

For those farms on which special practices are recognized, the premium rate per acre for each special practice being followed on the farm shall be entered in column H on the line on which the special practice is shown.

12. Enter in column I the product of the total acres seeded or the maximum insurable acreage, whichever is applicable, the premium rate per acre, and the insured's interest in the wheat crop (B or CXHXF).

(a) In making this computation, multiply the entry in column B or C by the entry in column H and round the result to whole bushels; multiply the result by column F and round the result to whole bushels.

(b) If more than one farming practice is shown in column A or if more than one interest is shown in column F, compute the premium for each special practice or interest as outlined above.

The total of all the entries in column I shall be entered at the bottom of this column.

(c) If the premium rate per acre for any special practice as shown in column H is less than the minimum (0.50 bushel for 75-percent insurance, 0.30 bushel for 50-percent insurance) compute also what the total premium would be on the basis of the minimum rate for the acreage in column B or C, whichever is applicable.

If this figure is larger than the total premium as determined on the basis of the special practice premium rate or rates, it shall be used. In those cases where the minimum rate for the total acreage is used, a line shall be drawn through the total premium entered at the bottom of column I and the premium as computed above shall be entered.

13. Part II. *Certification of County Committee.*

Prior to certification, the county committee shall determine that the acreage in column B of Form FCI-219-W is not in excess of the maximum insurable acreage established for the farm, covered by such Form FCI-219-W, under the provisions of the Agricultural Conservation Program and in accordance with the provisions of FCI—Regulations 201-W.

In those cases where it is determined by the county committee, prior to certification, that the acreage as shown in column B *does exceed* the maximum insurable acreage, the entry in column C shall be the same percentage of the acreage seeded as the maximum insurable acreage for such farm is of the total acreage seeded on such farm. (See case 10 of sec. XV of this procedure.)

A member of the county committee shall certify the entries shown on Form FCI-219-W by executing part II, Certification of County Committee.

D. Preparation of Form FCI-222-W.

It is essential that Forms FCI-219-W be completed and transmitted to the respective State offices as soon as possible after the seeding of wheat in a particular county in order that prompt adjustment of the Corporation's records may be effected.

Form FCI-222-W, together with the related Forms FCI-219-W, should be submitted to the State office *at least 3 weeks* before the maturity date of the notes for the particular State in order that such forms may be examined by the State committee and routed to the branch office of the Corporation before such maturity date.

Form FCI-222-W shall accompany Forms FCI-219-W when they are submitted to the

State office for forwarding to the branch offices of the Corporation. Every application number for the Forms FCI-212-W, as shown on Form FCI-215-W, shall be listed on Form FCI-222-W in the proper numerical order by application number, and under each application number all the farms in which the insured has an interest covered by the particular application shall be listed in numerical order by the *listing sheet farm number*, even though Form FCI-219-W is delayed or the Form FCI-212-W was recommended for rejection by the county committee.

Where applications have been recommended for cancelation or rejection by the county committee, the related Forms FCI-219-W shall be listed as "Delayed" cases until written notification of cancelation or rejection is received from the Corporation. If written notification of cancelation or rejection is not received by the county office at the time that the final transmittal of Form FCI-222-W is prepared, the application number, the name of the insured or applicant, and a notation, "Recommended for cancelation" or "Recommended for Rejection," shall be placed on Form FCI-222-W. (Where an application number was not used, a notation such as "Number not assigned" shall be placed on Form FCI-222-W.)

Where cancelation or rejection of applications has been approved by the Corporation, it will not be necessary to insert any information on Form FCI-222-W other than the application number, the listing sheet farm number, the name of the insured or applicant, and the notation, "Canceled" or "Rejected." This notation shall not be placed on Form FCI-222-W by the county or State committee unless or until written notification of cancelation or rejection is received from the Corporation.

Where Forms FCI-219-W are being delayed in the county office, it will be necessary to indicate only the application number and the name of the insured with the word "Delayed" inserted in column D opposite the appropriate application number.

The county committee shall prepare the original and three copies of Form FCI-222-W, inserting the following information:

1. The State and county code.
2. The transmittal sheet number. (Each transmittal sheet shall be numbered consecutively beginning with "1" for the first Transmittal Sheet (Form FCI-222-W) for each county.)
3. The date of preparation of Form FCI-222-W.

4. In column A the application numbers in their proper numerical order.

In those cases where the insured has an interest in two or more farms, the application number shall be entered only once for such insured.

5. In column B the 1942 wheat listing sheet farm numbers, as shown in the heading of Form FCI-219-W, in their proper numerical order.

6. In column C the name of the insured as shown in part I of Form FCI-219-W.

In those cases where the insured has an interest in two or more farms, the name of the insured shall be entered *only once*.

Where Form FCI-219-W is delayed for any reason, the crop insurance application number should be indicated in column A in the proper numerical order, the wheat listing sheet farm number in column B, and the name of the insured indicated in column C, but the information in columns D, E, F, H, I, J, and K shall not be inserted, but the word "Delayed" shall be inserted in column D opposite the appropriate wheat listing sheet farm number.

It is the responsibility of the county committee to determine that a Form FCI-219-W is prepared for each insured's interest in every farm in the county in which such insured has an interest at the time of the beginning of the seeding of the wheat crop on such farm.

Accordingly, Form FCI-219-W shall show the insured's interest in the wheat crop at the time of the beginning of the seeding of such wheat crop, *provided* that a properly executed Form FCI-212-W was filed by the insured on

or before the closing date in accordance with section I of Form FCI-211-W.

7. In column D the acreage used for computation of premium as shown by column B or column C of Form FCI-219-W.

The maximum insurable acreage will be used only in those cases where the acreage seeded to wheat exceeds the maximum insurable acreage.

8. In column E, the insured's interest in wheat crop as shown by column F of Form FCI-219-W.

9. In column F, the insured production as shown in column G of Form FCI-219-W.

10. In column G, the amount of the premium as shown by column I of Form FCI-219-W.

11. In column H, the amount of the payment on wheat note.

(a) Where the payment was made by cash, check, money order, bank draft, or warehouse receipt, enter in column H the number of bushels as shown in paragraph 3 of Form FCI-213-W.

(b) Where the payment was made by application of a deposit, enter in column H the 1941 deposit applied as shown by Form FCI-214-W.

12. The entry will be inserted in column I at the maturity of the note in accordance with subsection E of this procedure.

13. It will not be necessary to insert the entry in column J at the time of the preparation of Form FCI-222-W. Such entry shall be made in accordance with subsection F of this procedure.

14. Total columns F, G, and H, for each Form FCI-222-W. These totals shall not be carried forward from one Form FCI-222-W to the next succeeding Form FCI-222-W.

15. A member of the county committee shall indicate his approval of Form FCI-222-W by signing in the space provided.

Care should be exercised in preparing Form FCI-222-W so as to provide legible copies.

E. Cash Equivalent of Note.

When the county office receives a copy of Form FCI-223, "Record of Note Transactions,"

from the branch office of the Corporation, the entry in column I may be inserted on the county office copy of Form FCI-222-W.

Where payments are made on or after the maturity date, the price for the maturity date shall be used to compute the cash equivalent of the premium due in those cases where Form FCI-223 has not been received.

F. Computation of Net Acreage.

Provision has been made on Form FCI-222-W for an additional column, "Net Acreage," which is not to be completed at the time of the transmittal of such form to the State office.

At such time as it is convenient, the county committee may, if the State committee so directs, enter the net acreage on the county office copy of Form FCI-222-W. The net acreage shall be obtained by multiplying the acreage used for computation of premium as shown in column D of Form FCI-222-W by the insured's interest in the wheat crop as shown in column E of Form FCI-222-W.

It will not be necessary for the results of these computations, prepared after Form FCI-222-W has been submitted to the State office, to be transmitted to the State office or to the branch office of the Corporation. However, the results should be filed in the office of the county committee in order that they may be available for future reference.

G. Transmittal of Delayed Forms FCI-219-W.

Transmittals listing the completed Forms FCI-219-W which were marked "Delayed" on the original transmittal shall be prepared in the county office in the following manner:

1. Form FCI-222-W shall be assigned the next succeeding transmittal sheet number and the word "Supplemental" shall be placed immediately preceding the transmittal sheet number.

It will not be necessary to relist all the application numbers and wheat listing sheet farm

numbers appearing on the original Form FCI-222-W, but it will be necessary to list *only* those previously delayed or suspended Forms FCI-219-W which are now being submitted.

The transmittal sheet number of the original Form FCI-222-W, listing the "Delayed" Form FCI-219-W shall be inserted in column K, "Remarks," of the supplemental Form FCI-222-W.

It will be necessary to list on the supplemental Form FCI-222-W only the Forms FCI-219-W being transmitted at that time to the State office.

2. The completed or corrected Forms FCI-219-W shall be listed on Form FCI-222-W in their proper numerical order showing all of the information as required by this procedure.

The final transmittal, Form FCI-222-W, shall include all Forms FCI-219-W which have not been completely executed and the information shown on Form FCI-203-W and the acreage to be used for computation of premium, which shall be the maximum insurable acreage, shall be listed on Form FCI-222-W. This completed transmittal shall also bear the notation "Final" immediately preceding the transmittal sheet number to indicate that it is the final supplemental transmittal.

In those cases where no wheat has been seeded on a farm(s) listed on Form FCI-212-W or the applicant had no interest in the wheat crop at the beginning of the seeding of the wheat crop on a farm(s) listed on Form FCI-212-W, refunds shall not be made unless the related Forms FCI-219-W for all farms shown on Form FCI-212-W have been signed by the county committeeman. If no wheat has been seeded and Form FCI-219-W has not been signed by a member of the county committee, these cases shall be considered as delayed until such Forms FCI-219-W are completed or until the final transmittal of Form FCI-222-W is prepared listing all incomplete Forms FCI-219-W.

H. Transmittal of Forms FCI-219-W With the Related Forms FCI-267-W.

In those cases where it is necessary for the county committee to transmit a few Forms FCI-219-W to the State office, because of the submission of Forms FCI-267-W, "Statement in Proof of Loss," prior to the completion of the measurement of the wheat acreage in the county, it will be necessary to list on Form FCI-222-W only those Forms FCI-219-W that are being forwarded with the related Forms FCI-267-W.

It is to be noted that where Form FCI-267-W has been submitted, the county committee shall transmit to the State office all Forms FCI-219-W covering the insured's interest in every farm in the county in which such insured has an interest in the wheat crop at the time of the beginning of the seeding of the wheat crop, together with the related Form FCI-222-W and Form FCI-267-W.

At the time that all application numbers and all wheat listing sheet farm numbers are listed on Form FCI-222-W, a notation should be inserted on Form FCI-222-W, opposite the name of the insured for the Form FCI-219-W previously transmitted with the related Form FCI-267-W, as follows:

"Form FCI-219-W previously transmitted with Form FCI-267-W. See Form FCI-222-W No. —."

It will not be necessary to relist the balance of the information.

Form FCI-222-W shall be prepared and numbered in accordance with the instructions outlined in subsection D of this procedure.

I. Revision of Form FCI-219-W or Form FCI-222-W.

If after Form FCI-219-W and the related Form FCI-222-W have been transmitted to the State office it is necessary to make any changes in part I of Form FCI-219-W, such changes should be accomplished by the prepara-

tion of a revised Form FCI-219-W, or by Form FCI-202-W, "Agreement," and such revised Form FCI-219-W shall be listed on Form FCI-222-W in accordance with the instructions outlined in paragraph G above. Forms FCI-202-W prepared to correct Forms FCI-219-W shall be listed on Form FCI-222-W in accordance with the instructions outlined in paragraph G above, except that the words "Form FCI-202-W" shall be inserted in the space provided for transmittal sheet number. However, if a material change is to be made only on Form FCI-222-W, then a revision of that form should be accomplished by relisting only those Forms FCI-219-W that were originally listed on the particular sheet of Form FCI-222-W that is to be revised and inserting the word "revised" and the transmittal sheet number of the original Form FCI-222-W in the space provided for transmittal sheet number.

In these cases a notation shall be placed on the revised Form FCI-219-W, Form FCI-202-W, or Form FCI-222-W, indicating the reasons for making the corrections.

Every effort should be made to reduce the number of revisions of Form FCI-219-W or Form FCI-222-W in order to avoid any delay in handling of the work in connection with the notices of seeding and also in order that indemnity payments might be made as quickly as possible.

J. Distribution of Forms.

In transmitting Forms FCI-219-W and Forms FCI-222-W to the State offices, the county office copy of each of these forms should be retained in the county office, but the remaining copies and the carbons should remain intact when they are transmitted in order that all changes made on the original of each of these forms might be reflected on all the remaining copies.

1. Form FCI-219-W, "Notice of Seeding."

To State office (Do not separate or remove carbons):

Original (white)—to be transmitted by the State office to the branch office with the related Form FCI-222-W.

Copy (yellow)—to be returned by the State office to the county office for delivery to the insured.

Copy (green)—to be filed in the State office.

Retained in the county office:

Copy (pink)—After the insured's copy of Form FCI-219-W has been returned by the State office, the county committee shall examine the form for corrections, and the corrections, if any, should be made on the county office copy of Form FCI-219-W.

2. Form FCI-222-W, "1942 Wheat Notices of Seeding—Transmittal Sheet."

To State office (Do not separate or remove carbons):

Original (white)—to be transmitted by the State office to the branch office.

Copy (green)—to be filed in the State office.

Copy (yellow)—to be transmitted by the State office to the branch office.

Retained in county office:

Copy (pink).

K. Disposition of 1941 Deposits.

All 1941 deposits will be applied toward payment of the 1942 premium in accordance with section 36 of FCI—Regulations 201-W.

The difference between the 1941 deposit and the amount applied as payment of the 1942 premium will be refunded using the price for the day that the deposit was tendered to the Corporation; that is, the day when Form FCI-112-W was signed by the applicant.

Place a notation in columns E and F of Form FCI-214-W, if such entries have not already been made, indicating the 1942 application number and the deposit applied in bushels.

Where the class of wheat designated on Form FCI-212-W differs from that used for the 1941 crop year and a "Work Sheet for Recomputation of Deposit" has not been prepared, the county committee shall prepare this work sheet in accordance with the instructions contained in section VII of this procedure.

SECTION XV. COMBINATIONS, TRACTS OF A FARM VARYING WIDELY FROM THE REMAINDER OF SUCH FARMS, DIVISIONS, FIELD-RENTED TRACTS, SPECIAL PRACTICES, IRRIGATED AND NONIRRIGATED LAND, APPLICATIONS COVERING ONLY SPRING WHEAT, TRANSFERS OF INTEREST OR TRANSFERS OF ACREAGE, ACREAGE SEED TO WHEAT EXCEEDS MAXIMUM INSURABLE ACREAGE, AND OTHER UNUSUAL CASES

CASE 1.—Where Two or More Farms Listed Separately on Form FCI-203-W Have Been Combined Into One Farm.

In the event two or more farms listed separately on Form FCI-203-W have been combined under one ownership and one operation in 1942, case 1 of section VI of this procedure provides that each individual farm shall be listed separately on Form FCI-212-W.

In such cases separate Forms FCI-219-W shall be prepared for each individual farm and the acreage to be entered in column B of Form FCI-219-W shall be the acreage determined to have been seeded to wheat on such farm.

No entry should be made in column C of Form FCI-219-W, unless it is determined that the total of the acreages seeded to wheat on the farms that have been combined into one farm is in excess of the total allotment or permitted acreage for the combination; in which case the entry to be made in column C of the Forms FCI-219-W, covering the individual farms, shall be determined in accordance with the method outlined under case 10 of this section of the procedure.

CASE 2.—Two or More Farms or Tracts Combined Under One Operation Under the Agricultural Conservation Program.

Where two or more farms or tracts are combined under one operation under the Agricultural Conservation Program but under different ownerships, case 2 of section VI of this procedure provides that each farm or tract included in the combination in which the applicant has an interest shall be listed separately on Form FCI-212-W.

In such cases Form FCI-219-W shall be prepared for each insured farm or tract included in the combination and the entry to be made in column B of each Form FCI-219-W shall be the acreage determined to have been seeded to wheat on the particular farm or tract.

No entry should be made in column C of Form FCI-219-W unless it is determined that the acreage seeded to wheat on all of the farms or tracts included in the combination exceeds the total allotment for the combination; in which case the entry in column C of Form FCI-219-W should be determined in accordance with the method outlined under case 10 of this section of the procedure.

CASE 3.—Where Any Tract or Tracts of a Farm Vary Widely From the Remainder of Such Farm.

Where the county committee has determined that different tracts comprising a farm vary widely from the remainder of the farm in soil type, topography, productive capacity, or risk of loss, which necessitated the appraising of a yield and rate for each tract to reflect such variation, case 3 of section VI of this procedure provides that each tract should be listed separately on Form FCI-212-W.

As these tracts are considered as one farm for purposes of the crop insurance program, one Form FCI-219-W shall be prepared listing all of the tracts of the farm. The entries to be made in column B on Form FCI-219-W shall be the acreage determined to have been seeded to wheat on each tract listed in column A of Form FCI-219-W.

No entries should be made in column C of Form FCI-219-W unless it is determined that the total of the acreages seeded to wheat on all of the tracts of the farm is in excess of the allotment or permitted acreage, whichever is applicable, for the entire farm; in which case the entries in column C of Form FCI-219-W shall be determined in accordance with the method outlined under case 10 of this section of the procedure.

CASE 4.—Division of Listing Sheet Farms.

Where a farm listed on Form FCI-203-W was divided on or before the date that Form FCI-212-W was submitted to the office of the county committee, case 4 in section VI of this procedure provides that the information relative to the entire farm before the division should be inserted on Form FCI-212-W.

In such cases a separate Form FCI-219-W shall be prepared on the basis of the individual farms resulting from such division, and the entry to be made in column B of Form FCI-219-W should represent the acreage determined to have been seeded to wheat on the farm resulting from the division and for which the Form FCI-219-W is prepared.

No entry should be made in column C of Form FCI-219-W unless it is determined that the total of the acreages seeded to wheat on the individual farms resulting from the division is in excess of the allotment or the permitted acreage, whichever is applicable. In the event the total of the acreage seeded to wheat on the individual farms resulting from the division is in excess of the allotment or permitted acreage, whichever is applicable, the entry to be made in column C of the Forms FCI-219-W, relating to the individual farms, should be determined in accordance with the method outlined under case 10 of this section of the procedure.

CASE 5.—Field-rented Tract.

In those cases where Form FCI-212-W was submitted for field-rented tracts, two or more of which make up a farm under the Agricultural Conservation Program, a separate Form FCI-219-W shall be prepared for each tract. Where two or more portions of the same farm

are operated by the same tenant all of such portions shall be considered as one tract for purposes of the crop insurance program. All Forms FCI-219-W of the landlord and also of the operator should be submitted to the State office at the same time.

In these cases the entry to be made in column B of Form FCI-219-W should represent the acreage determined to have been seeded to wheat on the field-rented tract for which the Form FCI-219-W is prepared.

No entry should be made in column C of Form FCI-219-W unless it is determined that the total acreage seeded to wheat on the various field-rented tracts comprising the farm is in excess of the total allotment of permitted acreage, which ever is applicable, for the entire farm; in which case the entry in column C of Form FCI-219-W should be determined in accordance with the method outlined under case 10 of this section of the procedure.

A variation of the special case given above is presented where subsequent to the submission of Form FCI-212-W, a transfer of a portion of the interest in a part of the wheat acreage of an insured farm is effected. In such cases separate Forms FCI-219-W shall be prepared, one covering the insured's interest in the wheat crop seeded on the portion of the wheat acreage in which no interest was transferred, and the other Form FCI-219-W covering interest retained by the insured in the wheat crop seeded on the portion of the wheat acreage in which a part of the interest has been transferred.

The entries to be made in column B of these separate Forms FCI-219-W shall represent the acreage determined to have been seeded to wheat on the portions of the farm covered by the respective Forms FCI-219-W.

No entries should be made in column C of Forms FCI-219-W unless it is determined that the acreage seeded to wheat on the tracts covered by the separate Forms FCI-219-W, together with any acreage seeded to wheat on any other tracts of the same farm is in excess of the total allotment or permitted acreage, which-

ever is applicable, for the entire farm, in which case the entries to be made in column C of the Form FCI-219-W should be determined in accordance with the method outlined under case 10 of this section of the procedure.

CASE 6.—*Special Practices.*

One Form FCI-219-W shall be prepared for each farm on which separate practices will be followed and the yield and rate for each such practice shall be listed opposite the related practice on Form FCI-219-W. However, where separate yields and premium rates have been established on a general wheat listing sheet (Form FCI-203-W) for irrigated and nonirrigated portions of the same farm, one Form FCI-219-W shall be prepared indicating the yield and rate applicable to the irrigated portion and another Form FCI-219-W shall be prepared and should indicate the yield and rate applicable to the nonirrigated portion of the farm in accordance with instructions outlined under paragraph (a) of case 7 of this section of the procedure.

Where a farm was listed on Form FCI-212-W on the basis of special practices, the entries to be made in column B of Form FCI-219-W should represent the acreage determined to have been seeded to wheat under each such practice.

It will not be necessary to make any entry in column C of Form FCI-219-W unless it is determined that the total of the entries in column B is greater than the allotment or permitted acreage, whichever is applicable, for the farm, in which case the entries to be made in column C of Form FCI-219-W shall be determined in accordance with the method outlined under case 10 of this procedure.

Case 7.—*Irrigated and Nonirrigated Land.*

(a) *General Listing Sheets.*

Where a farm contains both irrigated and nonirrigated land and separate yields and premium rates have been established on a general wheat listing sheet because one portion of the farm is always irrigated and another por-

tion is never irrigated (Form FCI-203-W), case 7 of section VI of this procedure provides that the irrigated and nonirrigated portions of the farm shall be listed separately on Form FCI-212-W, and because in these cases the irrigated and nonirrigated portions are considered separate farms, separate Forms FCI-219-W shall be prepared in connection with each such portion.

In these cases the entry to be made in column B of the separate Forms FCI-219-W shall represent the acreage determined to have been seeded to wheat on the portion for which the Form FCI-219-W is prepared.

It will not be necessary to make any entry in column C of Form FCI-219-W unless it is determined that the total of the acreages seeded to wheat on the irrigated and nonirrigated portions of the same farm is in excess of the allotment or permitted acreage, whichever is applicable, for the entire farm, in which case the entry to be made in column C of the separate Forms FCI-219-W shall be determined in accordance with the method outlined under case 10 of this procedure.

(b) Special Practice Listing Sheet.

The entries to be made in column B and column C of Form FCI-219-W in a case where a farm contains both irrigated and nonirrigated land and yields and rates have been established for such portions of the same farm on a special practice listing sheet (Form FCI-203-W) should be determined in accordance with the instructions outlined above under case 6 of this section of the procedure.

CASE 8.—Applications Covering Only Spring Wheat.

Case 8 of section VI of this procedure provides that if Form FCI-212-W was submitted after the final date for the receipt of winter wheat applications in the county office in areas where both winter and spring wheat are seeded, the county committee is advised not to accept such application until it has been determined that winter wheat has not been seeded on any

of the farms covered by Form FCI-212-W. On this basis, if the county committee determines that the application is acceptable, the entry to be made in column B of the Form FCI-219-W, prepared in connection with each farm covered by the application, should represent the acreage determined to have been seeded to spring wheat on each farm.

No entry need be made in column C of Form FCI-219-W, unless it is determined that the entry in column B is in excess of the allotment or permitted acreage, whichever is applicable, for the farm, in which case the entry to be made in column C of Form FCI-219-W should represent the allotment or the permitted acreage, whichever is applicable, for the farm.

CASE 9.—Transfer of Interest or Transfer of Acreage.

(a) Before the Beginning of the Seeding of the Wheat Crop.

Where a transfer of all or a portion of the interest, a transfer of an entire interest in a portion of the acreage, or the transfer of part of the interest in a portion of the acreage is effected after the execution of Form FCI-212-W but *before* the beginning of the seeding of the wheat crop, Form FCI-221-W will *not* be executed. However, in these cases Form FCI-219-W shall be prepared so as to indicate the insured's interest, at the beginning of the seeding, in the wheat crop seeded on the acreage covered by the insured's Form FCI-212-W which was not transferred.

No insurance coverage shall attach with respect to that part of the interest secured by the transferee in connection with such transfer unless the transferee had executed Form FCI-212-W on or before the closing date for the receipt of applications in the office of the county committee.

(b). After the Beginning of the Seeding of the Wheat Crop.

Transfers of interest or acreage taking place *after* the beginning of the seeding of the wheat

crop will have been recorded on Form FCI-221-W in order that such form may be used as the basis for the division of premium to be collected from the transferor and the transferee.

CASE 10.—Acreage Seeded to Wheat Exceeds Maximum Insurable Acreage.

Where the total of the acreages seeded to wheat under separate practices followed on the same farm, or the total of the acreages seeded to wheat on tracts comprising the same farm, or where the total of the acreages seeded on farms included in a combination exceeds the total allotment or permitted acreage, whichever is applicable, for the entire farm or the combined farm, whichever the case may be, the entries to be made in column C of the Forms FCI-219-W shall be the same proportion of the wheat acreage shown in column B that the farm allotment or permitted acres bears to the total acreage seeded under all practices or tracts of the same farm, or to the total acreage seeded on all farms included in the combination.

In these cases the entries in column C of Form FCI-219-W should be determined in the manner outlined below:

	Allotment or per- mitted acreage	Form FCI-219-W	
		Col. B— Total acres seeded	Col. C— Maximum insurable acres
Farm or Tract A.....	-----	110	101.5
Farm or Tract B.....	-----	215	198.5
	300	325	300.0

The entries shown above for column C of Form FCI-219-W were computed as follows:

Farm or Tract A $\frac{300}{325}$ of 110, or 101.5
acres.

Farm or Tract B $\frac{300}{325}$ of 215, or 198.5
acres.

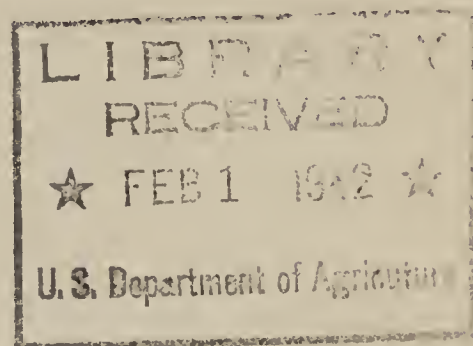
If there are special practices on the same farm, the acreage figures to be entered in column C of the related Form FCI-219-W should be computed in a manner similar to that shown above for the farm or tract.

CASE 11.—Other Unusual Cases.

All other cases not covered specifically by this procedure shall be handled in accordance with General Procedure 4, "Procedure for Handling Individual Cases."

COUNTY APPLICATION PROCEDURE

COTTON CROP INSURANCE



UNITED STATES DEPARTMENT OF AGRICULTURE

U.S. FEDERAL CROP INSURANCE CORPORATION

WASHINGTON, D. C.

Issued December 1941

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COUNTY APPLICATION PROCEDURE COTTON CROP INSURANCE

SECTION I. GENERAL

A. Presentation of the 1942 Cotton Crop Insurance Program.

The county agricultural conservation committee is responsible to the state agricultural conservation committee for the administration of all phases of the crop insurance program in the county. The county committee, under the direction of the state committee, shall develop plans for presenting the crop insurance program to all cotton growers in the county in sufficient time for growers to present their applications for crop insurance on or before the closing date established by the Corporation for the receipt of applications in the county office. The county committee shall also make careful plans in conformity with this procedure for the handling of problems of administration and operation within the county so that the interests of both the cotton growers and the Corporation will be protected at all times. The county committee shall coordinate its activities in presenting this program, giving due consideration to timeliness, effectiveness, and economy of operation, in order to present the crop insurance program as a part of the general farm program being administered by the United States Department of Agriculture.

B. Preparation of Community Lists Showing Lint Cotton Insurance Per Acre and Premium Rates.

If it is deemed desirable in connection with the writing of applications, the county committee may prepare community lists showing the lint cotton insurance per acre and premium rate for each farm as finally approved by the Federal Crop Insurance Corporation and other information necessary for the execution of the application for cotton crop insurance.

C. Forms.

The following forms will be used in connection with this procedure:

Regulations, "1942 Cotton Crop Insurance Regulations."

Form FCI-201-C, "County Yield and Rate Procedure."

Form FCI-2, "Agreement."

Form FCI-202-C, "Cotton Crop Insurance Work Sheet."

Form FCI-203-C, "1942 Crop Insurance Listing Sheet—Cotton."

Form FCI-108, "Notice of Transfer, Harvest, Removal, or Other Use of Crop."

Form FCI-212-C, "Application for Cotton Crop Insurance."

Form FCI-212A-C, "Continuation Sheet."

Form FCI-213, "Receipt."

Form FCI-215, "Transmittal Sheet—1942 ——— Crop Insurance Applications."

Form FCI-216, "Acknowledgment of Forms FCI-217, Receipts and Cash Collections."

Form FCI-217, "Record of Receipts and Cash Collections."

Form FCI-218, "Notice of Confirmation of the 1942 Application for ——— Crop Insurance."

Form FCI-219, "Acreage Report."

Form FCI-220, "Collateral Assignment."

Form FCI-221, "Record of Transfer."

Form FCI-222, "Acreage Reports—Transmittal Sheet."

D. Application for Insurance.

1. Applications for cotton crop insurance shall be made on Form FCI-212-C and Form FCI-212A-C. Any person who has or expects to have an interest as landlord, owner, tenant, operator of field-rented tracts, or sharecropper

in a cotton crop to be planted on a farm may apply for insurance to cover his interest in such crop. *Under the insurance contract, insurance with respect to each insurance unit shall attach only to the interest which the applicant has in the cotton crop on an insurance unit at the time of the beginning of the planting of the cotton crop on the insurance unit.*

Verbal or written requests other than those submitted on Form FCI-212-C and Form FCI-212A-C shall not be construed as applications for insurance.

In all cases, the owner or operator requesting insurance shall sign Form FCI-212-C. Each sharecropper or operator of field-rented tracts requesting insurance shall in all cases sign Form FCI-212A-C or Form FCI-212-C. Where the owner or operator does not request insurance, but the sharecropper or operator of field-rented tracts desires insurance on the farm, Form FCI-212-C shall be prepared in the regular manner, and the signature of one of such sharecroppers or operators of field-rented tracts shall be obtained on Form FCI-212-C, and the balance of such applicants shall sign Form FCI-212A-C. The signature of the applicant on any one Form FCI-212-C and any Form FCI-212A-C shall constitute application for insurance on all cotton crops within the county in which the applicant has an interest at the time of planting.

In those cases where the county committee determines that it is desirable that each sharecropper or operator of a field-rented tract execute a Form FCI-212-C, the lint cotton insurance per acre and premium rate to be inserted on such form shall be the lint cotton insurance per acre and premium rate applicable to the particular tract or portion of the farm.

2. Form FCI-212-C shall cover all of the farms within the county in which the applicant has an interest in the cotton crop at the time Form FCI-212-C is submitted to the office of the county committee and any other farms in the county in which the applicant has an interest at the time of the beginning of the planting of the cotton crop. The information rela-

tive to those farms in which the applicant has an interest at the time the application is filed shall be listed on Form FCI-212-C. For each farm listed in paragraph 3 of Form FCI-212-C, where a sharecropper or operator of field-rented tracts requests insurance, there shall be prepared a Form FCI-212A-C or Form FCI-212-C which shall be signed by such sharecropper or operator of field-rented tracts on such farm desiring insurance. These Forms FCI-212A-C shall be attached to and made a part of Form FCI-212-C.

3. BEFORE FORM FCI-212-C OR FORM FCI-212A-C IS SIGNED BY THE APPLICANT, THE NECESSARY INFORMATION SHALL BE INSERTED IN ACCORDANCE WITH THIS PROCEDURE IN PARAGRAPHS 1, 3, AND 7 OF FORM FCI-212-C AND THE NECESSARY INFORMATION INSERTED ON THE CONTINUATION SHEET (FORM FCI-212A-C) IF SUCH CONTINUATION SHEET IS USED.

4. Form FCI-212-C and Form FCI-212A-C, properly executed by the applicant, must be submitted to the office of the county committee on or before the closing date established by the Corporation for the submission of applications, or the beginning of the planting of the cotton crop on any of the insurance units covered by the application in which the applicant has an interest, whichever occurs first. The closing dates established by the corporation are set forth in section XIII of this procedure.

The closing date established by the Corporation for the submission of applications to the office of the county committee or the date of the beginning of the planting of the cotton crop on any insurance unit in which the applicant has an interest and which is covered by such application, whichever occurs first, shall be referred to in this procedure as the "closing date."

5. Applications covering combinations, divisions, fractional parts of a farm, irrigated and nonirrigated land on the same insurance unit

in which the applicant has an interest at the time of planting, and other unusual cases shall be handled in accordance with section VI of this procedure.

E. Computation of the Cash Equivalent and Payment of Notes.

1. All premiums shall be paid by the execution and payment of a note which is a part of the application. A cash payment may be made on the note at the time that Form FCI-212-C or Form FCI-212A-C is submitted or at any future date and such payment in terms of pounds of lint cotton applied toward payment of the note. Where the applicant does not agree to participate in the agricultural conservation program, the county committee shall require that payment be made on the note of the premium for all insurance units listed in paragraph 3 of Form FCI-212-C or on Form FCI-212A-C at the time that such form is submitted to the county committee. In these cases, the premium shall be computed on the basis of the acreage allotment or permitted acreage, whichever is applicable for all such insurance units. This also applies to those applicants signing Form FCI-212A-C. If American Egyptian cotton is to be planted on the insurance unit(s) covered by the application, the premium on such insurance unit(s) will be computed on the basis of the acreage the applicant expects to plant to American Egyptian cotton or 80 percent of the cropland on the insurance unit, whichever is smaller.

2. Where payments are made on the note before maturity, the number of pounds of cotton to be credited shall be determined by dividing the cash payment by the cash equivalent price of cotton of the applicable grade and staple length shown on Form FCI-212-C which shall be applied toward payment of the note. The cash equivalent price of such cotton shall be the price shown on the latest cotton price notice received by the county committee.

3. When the applicant wishes to pay a note in cotton, such applicant shall deliver, on or before the maturity date of the note, at the office of the county committee a warehouse receipt or other instrument acceptable to the

Corporation (hereinafter referred to as "warehouse receipt") representing whole bales of salable cotton.

The warehouse receipt shall be sold on the day such warehouse receipt is received at the office of the county committee and the net proceeds from such sale of the warehouse receipt shall be divided by the applicable price for the day that the warehouse receipt was tendered to the county committee, and the resulting pounds of cotton applied toward payment of the note.

The county committee shall not accept a warehouse receipt or other instrument representing cotton unless it is definitely determined that the cotton represented by such warehouse receipt or other instrument can be sold *immediately*.

4. At maturity, the cash equivalent of the unpaid balance of the note shall be determined by multiplying the number of pounds of cotton of the applicable grade and staple length constituting the unpaid balance of the note by the cash equivalent price of cotton as determined by the Corporation to be applicable for the area in which the crop covered by the insurance contract is located. This cash equivalent price shall be that shown on the cotton price notice on the date of maturity.

Cash Equivalent Price per pound means the net price per pound of lint cotton established by the Corporation for the area in which the insurance unit is located on the basis of the price of lint cotton at the applicable spot market with differentials for the location of the area in which the insurance unit is situated.

5. The payment of notes in the cash equivalent shall be made by cash, or by check, money order, or bank draft payable to the Treasurer of the United States.

6. All checks and drafts will be accepted subject to collection, and notes or deposits for future premiums shall not be regarded as paid unless collection is made.

7. All collections on notes must be listed on Form FCI-217 and forwarded daily to the

branch office of the Corporation together with the original copy of such form. It is necessary that Form FCI-217 be transmitted to the branch office of the Corporation on the same day that the collections are made in order that the Corporation may use such Form FCI-217 as the basis for its cotton purchases.

F. Acceptance of Deposits.

1. Any person who submits an application may tender a deposit of cotton or cash, which may be applied toward the payment of future premiums. The conversion of deposits of cotton shall be made in the manner specified in subsection E, paragraph 3 above. The tender of a deposit in cotton or cash shall be made only at the time that Form FCI-212-C and Form FCI-212A-C are submitted to the office of the county committee.

2. Where a deposit is tendered in connection with Form FCI-212-C, the maximum amount of such deposit shall be limited to an amount equivalent to the premium in pounds of cotton computed on the basis of the acreage allotment or permitted acreage, whichever is applicable, for all insurance units listed in paragraph 3 of Form FCI-212-C in which the applicant has an interest.

Deposits will be accepted only in those cases where payment of the premium in pounds of cotton is made on the note computed on the basis of the acreage allotment or permitted acreage, whichever is applicable, on all insurance units listed on Form FCI-212-C or Form FCI-212A-C.

3. Where a deposit is tendered in connection with Form FCI-212A-C, the maximum amount of such deposit shall be limited to an amount equivalent to the premium in pounds of cotton computed on the basis of the applicant's share of the acreage allotment or permitted acreage, whichever is applicable, for the insurance units listed on Form FCI-212A-C in which the applicant has an interest.

Deposits will be accepted only in those cases where payment of the premium in pounds of cotton is made on the note computed on the basis of the applicant's share of the acreage allotment or permitted acreage, whichever is

applicable, for all of the insurance units in which such applicant has an interest.

4. The tender of deposits in the cash equivalent shall be made by check, money order, or bank draft payable to the Treasurer of the United States, or by cash.

G. Fractional Units of Acres, Lint Cotton Insurance Per Acre, and Premium Rates.

Fractions of the lint cotton insurance per acre shall be rounded to the nearest pound. Fractions of premium rates shall be rounded to the nearest tenth of a pound.

Fractions of pounds other than premium rates shall be rounded to the nearest pound. Fractions of acres representing total acres of cotton shall be rounded to the nearest tenth of an acre. In making computations under the 1942 program, carry the computation to one digit beyond the digit that is to be rounded. If the extra digit computed is 1, 2, 3, or 4, round downward. If the extra digit computed is 6, 7, 8, or 9, round upward. If the extra digit computed is 5, it will be necessary to carry the computation to still another digit. Then if the two extra digits are 50, the rounding shall be downward. Ignore all figures beyond the two extra digits. If the two extra digits are 51 or any higher figure, the rounding shall be upward.

When payments are made on notes, the amount of such payment shall be converted into pounds and rounded to the nearest pound. Therefore, any excess or deficient payments will be expressed in terms of whole pounds *only* and not in a monetary amount.

FOR EXAMPLE:	<i>Result of computation</i>	<i>Rounded pounds</i>
Total premium-----	55. 4	55
	55. 50	55
	55. 51	56
Insured production-----	1, 180. 4	1, 180
	1, 180. 50	1, 180
	1, 180. 51	1, 181
Lint cotton insurance per acre-----	210. 3	210
	210. 50	210
	210. 51	211
Premium rate per acre----	11. 34	11. 3
	11. 350	11. 3
	11. 351	11. 4

H. Acceptance of Applications.

The insurance contract shall be in effect upon acceptance of Form FCI-212-C by the county committee provided the lint cotton insurance per acre and premium rate(s) per acre for the insurance units listed on Form FCI-212-C or Form FCI-212A-C are in accordance with the lint cotton insurance per acre and premium rate(s) established in accordance with existing procedure approved by the Corporation, and provided further that the application is submitted in accordance with the provisions of the application and the 1942 Cotton Crop Insurance Regulations and amendments thereto. In every case where Form FCI-212-C is accepted by the county committee, a copy of such Form FCI-212-C, signed by a member of the county committee, shall be delivered to the applicant.

In those cases where a tenant or sharecropper requests a copy of the applicable Form FCI-212-C, the county committee shall furnish him with a copy of such Form FCI-212-C.

Confirmation by the Corporation of the acceptance by the county committee of Form FCI-212-C will be evidenced by the issuance of Form FCI-218 to the applicant(s) executing Form FCI-212-C or Form FCI-212A-C.

Form FCI-212-C shall not be accepted by the county committee in those cases where the applicant does not agree to participate in the agricultural conservation program unless payment is made on the note of the premium in pounds of cotton for all insurance units listed on Form FCI-212-C in which the applicant has an interest at the time such Form FCI-212-C is submitted to the county committee. In these cases the premium shall be computed on the basis of the acreage allotment or permitted acreage, whichever is applicable, for all such insurance units. This also applies to those applicants listed on Form FCI-212A-C. In these cases the word "not" should be inserted in paragraph 7 of Form FCI-212-C.

The county committee shall not accept an application in those cases where the risks to be incurred by the Corporation are too great and in such cases shall recommend rejection, or other appropriate action to the Corporation in accordance with General Procedure 4.

Any application which is submitted by an applicant on the condition that it shall be invalid unless an appeal for a revision in the lint cotton insurance per acre or premium rate is granted shall not be accepted by the county committee.

Under no circumstances shall the signature of the county committeeman, or the signature of the insured be deleted from Form FCI-212-C or the related Form FCI-212A-C after Form FCI-212-C has been accepted by the county committee on behalf of the Corporation.

If the county committee does not accept an application paragraph 9 of Form FCI-212-C, "Certification and Acceptance by the County Committee," shall not be executed, but a memorandum shall be prepared in triplicate outlining all the facts in the case. The original of this memorandum shall be attached to the original of Form FCI-212-C and a copy shall be attached to the state office copy of Form FCI-212-C, when these forms are transmitted to the office of the state committee. A copy of this memorandum shall also be attached to the county office copy of Form FCI-212-C.

It should be noted that all Forms FCI-212-C together with Forms FCI-212A-C received in the office of the county committee must eventually be submitted to the office of the state committee for forwarding to the branch office of the Corporation regardless of whether such Forms FCI-212-C have been accepted by the county committee.

I. Notice to County Committee of Cash Equivalent Prices.

The county committee will be notified by the state committee when a change is to be made in the cash equivalent price to be used in computing cash equivalents. It is important that these changes be made effective as soon as possible after receipt of this information in the office of the county committee. A cotton price card will be forwarded to the office of the county committee showing the cash equivalent prices. In order to provide uniform handling of the computation of cash equivalents, the state committee will check all Forms FCI-213 to determine that the proper information has

been used for the computation of amounts paid on cotton notes. The state committee will review Form FCI-216 and the related Form FCI-213 and Form FCI-217 to determine that price changes are being made effective by the county committee as soon as possible.

J. Final Date for Receipt of Forms FCI-212-C and Forms FCI-212A-C.

In order to be acceptable, Form FCI-212-C and Form FCI-212A-C, properly executed by the applicant, must be submitted to the office of the county committee on or before the closing date.

The closing dates established by the Corporation are set forth in section XIII of this procedure.

The following Forms FCI-212-C and Forms FCI-212A-C which are received in the office of the county committee after the closing date may be accepted by the county committee on behalf of the Corporation.

1. Forms FCI-212-C and Forms FCI-212A-C which are received by mail in the office of the county committee after the closing date, if the envelope transmitting such form is postmarked on or before the closing date.

2. Forms FCI-212-C and Forms FCI-212A-C which are submitted by the applicant to a community committeeman, county committeeman, or a field representative of the county committee, on or before the closing date.

Application Closing Date (referred to in this procedure as the "closing date") means the closing date established by the Corporation for the submission of an application to the office of the county committee or the beginning of planting of the cotton crop on any insurance unit in which the applicant has an interest and which is covered by the application, whichever occurs first.

All Forms FCI-212-C and Forms FCI-212A-C submitted to the office of the county committee after the closing date shall not be accepted by the county committee but shall be

listed on Form FCI-215 and transmitted to the office of the state committee in the regular manner.

K. Policy Regarding Requests for Cancellation of Forms FCI-212-C and Forms FCI-212A-C.

It is the general policy of the Corporation not to grant requests for cancellation or voidance of Forms FCI-212-C or Forms FCI-212A-C after such forms have been accepted by the county committee for and on behalf of the Corporation. However, individual cases which the county committee determines are deserving of meritorious consideration should be handled in accordance with paragraph L below. The following types of cases are not to be considered as cancellations of insurance contracts or rejections of applications:

1. Applicant has no interest in the cotton crop planted on any insurance unit covered by the insurance contract at the time of the beginning of the planting.

2. No cotton is planted for harvest on any insurance unit covered by the insurance contract.

3. Where Forms FCI-212-C or Forms FCI-212A-C submitted by two or more persons apparently cover insurance on the same interest in the same crop.

These adjustments can be made at the time of the preparation of Form FCI-219.

L. Individual Meritorious Cases.

In accordance with the provisions of General Procedure 4, "Procedure for Handling Individual Cases," where the county committee is in doubt regarding the proper handling of an individual case, such case shall be referred to the state committee accompanied by a memorandum in duplicate outlining in detail all the known facts pertaining to the particular case and setting forth the recommendations of the county committee. If information has been supplied by the insured or the applicant, a copy of such statement of the applicant or insured, in duplicate, if submitted in writing, or the county committee's report of such information, in duplicate, shall also be forwarded to the office of the state committee. In these doubtful cases, the acceptance of the applica-

tion by the county committee on behalf of the Corporation shall be withheld until notification is received from the state committee in writing of the action taken with respect to the individual case.

All general questions relating to administrative policies, interpretations of administrative rulings and procedure, and interpretations of the terms and conditions of the insurance contract shall be referred by the county committee to the state committee.

M. Transmittal of Application Information to State Office.

It shall be the duty of the county committee to transmit to the state office not later than noon of the first day following the closing date for receiving applications, Sundays and holidays excluded, the following information:

Number of applications written and the number of farms insured.

SECTION II. PREPARATION OF FORM FCI-212-C, "APPLICATION FOR COTTON CROP INSURANCE."

A. General.

Do not insert the state and county code and application number when Form FCI-212-C is prepared, as this information will be inserted when Forms FCI-212-C are listed on Form FCI-215 by the county committee in accordance with section IV of this procedure.

Where insurance is requested by a tenant or sharecropper on an insurance unit, less than a farm, the lint cotton insurance per acre and the premium rate per acre for such unit(s) shall be determined in accordance with subsection G of this section.

B. Paragraph 1. Insured Percentage.

1. Enter in the space provided therefor either 75 or 50 percent, indicating the insured percentage. Although the applicant applies for 75-percent insurance, if the county committee determines prior to the time Form FCI-212-C is signed by the applicant that the insured percentage should be limited to 50 percent, Form FCI-212-C shall be prepared for 50-percent insurance. If Form FCI-212-C has already been signed by the applicant, the

change from 75-percent insurance to 50-percent insurance shall be initialed by the applicant on Form FCI-212-C or the signature of the applicant shall be obtained on Form FCI-2 in accordance with this procedure.

In those cases where the applicant applies for 75-percent insurance on two or more insurance units, and the county committee determines that the insured percentage for one of the insurance units should be reduced to 50 percent, such cases shall be handled in accordance with case 5 (B) of section VI, "Other Unusual Cases."

The county committee shall not accept the application unless the insured percentage is the same for all the insurance units covered by a crop insurance application.

2. Enter in the spaces provided therefor the name of the county and the name of the state in which the insurance units are located.

C. Paragraph 3. Insurance Data of Applicant Signing in Paragraph 8.

1. Enter in paragraph 3 the information with respect to each insurance unit in the county in which the applicant has an interest at the time Form FCI-212-C is prepared and also with respect to those insurance units in the same county in which the applicant expects to acquire an interest before the beginning of the planting of the cotton crop. Form FCI-212-C must cover all farms, considered as being in the county for the purpose of making payments under the Agricultural Conservation Program, in which the applicant has an interest or expects to acquire an interest before the beginning of the planting of the cotton crop. Therefore, it will not be possible to exclude from paragraph 3 of Form FCI-212-C any insurance unit(s) in which the applicant has an interest at the time Form FCI-212-C is executed. However, in those cases where the applicant does not have an interest in any insurance unit in the county at the time Form FCI-212-C is submitted but expects to acquire an interest in the cotton crop on an insurance unit in such county before the beginning of the planting of the cotton crop, the applicant may execute Form FCI-212-C but the information need not be inserted in paragraph 3, "In-

insurance Data of Applicant Signing in Paragraph 8," as this information relative to the insurance units will be shown on Form FCI-219.

In those cases where the space in paragraph 3 of Form FCI-212-C is not sufficient for listing all the insurance units in the county in which the applicant has an interest or expects to acquire an interest before the beginning of the planting of the cotton crop, the county committee shall prepare a sheet headed "Insurance Data of Applicant Signing in Paragraph 8," showing all of the headings in paragraph 3, a copy of which shall be attached to each copy of the related Form FCI-212-C.

(a) Enter the listing sheet serial number(s) as shown in column 1 of Form FCI-203-C.

(b) Enter the identifying letters, if any, which are shown in column 2 of Form FCI-203-C, such as "I," "NI," indicating respectively, "Irrigated," or "Nonirrigated."

(c) Enter the name of the owner, location, or legal description of farm.

(d) Enter the lint cotton insurance per acre for each insurance unit as shown on Form FCI-203-C. This figure was determined by multiplying the average yield shown in column 16 by the insured percentage, 75 percent or 50 percent, shown in paragraph 1 of Form FCI-212-C. In those instances in which Form FCI-212-C is prepared individually for a sharecropper or operator of a field-rented tract, the instructions in subsection G of this section relative to the lint cotton insurance per acre to be used shall apply. In the event that an appeal has been approved, the approved lint cotton insurance per acre shown on Form FCI-203-C shall be inserted.

(e) Enter the approved premium rate for each farm as shown on Form FCI-203-C, in column 26 for 75-percent insurance or in column 34 for 50-percent insurance. In those instances in which Form FCI-212-C is prepared individually for a sharecropper or operator of a field-rented tract, the instructions in subsection G of this section relative to the premium rate to be used shall apply. In the event that an appeal has been approved, the approved appealed rate per acre for 75-percent

insurance will be shown in column 26 immediately above the original approved premium rate, and the approved appealed rate per acre for 50-percent insurance will be shown in column 34 immediately above the original approved premium rate.

In the event the applicant has made an appeal on his lint cotton insurance per acre or premium rate(s), and such appeal has not been approved, the approved lint cotton insurance per acre shown on Form FCI-203-C, and the approved rate(s) shown on column 26 for 75-percent insurance, or column 34 for 50-percent insurance shall be shown on the application. In case the appeal is approved at a later date, the necessary adjustments shall be made on the Form FCI-219, "Acreage Report."

In those cases where cotton is to be grown on land on the riverbank side of a levee, a separate yield and rate shall be established for the land on the riverbank side of the levee and for the land inside the levee in accordance with case 5 (A) of section VI.

Where the insurance units shown in paragraph 3 of Form FCI-212-C are combined or divided after Form FCI-212-C is executed, the cases shall be handled in accordance with section VI of this procedure.

(f) Enter in column F a check mark (✓) opposite the grade and staple length of cotton selected by the applicant as the basis for payment of premium and indemnity for all the farms covered by the application.

The grade and staple length of cotton must be one normally grown in the area and shall be one of the grades and staple lengths of cotton shown in column F. Only one grade and staple length shall apply with respect to any one insurance contract except that where American Egyptian cotton and American Upland cotton are to be insured under one contract, American Egyptian, Grade 2, 1½-inch staple length shall be used in addition to the grade and staple length selected as a basis for the payment of premiums and indemnities on American Upland cotton. American Egyptian cotton can be insured only in those instances in which yields and rates have been established for this type of cotton. In those instances in

which irrigated and rain-grown cotton are to be covered under the same insurance contract, the applicant may designate, with the approval of the county committee, any one of the grade and staple lengths of cotton other than the one applicable to American Egyptian cotton.

The grade and staple length of cotton, which will be used in the computation of premiums, are as follows:

AMERICAN UPLAND—RAIN GROWN:

Middling----- $1\frac{5}{16}$ -inch staple length

Middling----- $1\frac{1}{16}$ -inch staple length

Middling----- $1\frac{1}{8}$ -inch staple length

Irrigated:

Strict middling----- $1\frac{1}{16}$ -inch staple length

American Egyptian:

Grade 2----- $1\frac{1}{2}$ -inch staple length

D. Paragraph 7. Note for the Payment of Premium.

Paragraph 7 of Form FCI-212-C is the agreement containing the promise of the applicant to pay to the Corporation the premium for the insurance contract. Such note is non-interest bearing. Enter the applicable maturity date, as shown in section XIII, for the county and state specified in paragraph 1 of Form FCI-212-C.

The signature of the applicant in paragraph 8 of Form FCI-212-C will constitute the agreement of the applicant to all the provisions of the application, as well as the agreement of the applicant to the provisions of the note as set forth in paragraph 7.

Likewise, the signature of an applicant on Form FCI-212A-C will constitute the agreement of such applicant to all the provisions of the application, as well as the agreement of the applicant to the provisions of the note as set forth in paragraph 7 of Form FCI-212-C.

Where the applicant does not agree to participate in the agricultural conservation program, the word "not" shall be inserted in paragraph 7 in the space provided. If the word "not" is inserted in paragraph 7, the county committee shall require that payment be made on the note of that part of the premium in pounds computed on the acreage allotment or

permitted acreage, or portion thereof, whichever is applicable, on all farms listed in paragraph 3 of Form FCI-212-C, at the time that Form FCI-212-C is submitted to the county committee. This also applies to those applicants listed on Form FCI-212A-C.

If the applicant agrees to participate in the agricultural conservation program, no entry shall be made.

E. Paragraph 8. Name, Address, and Signature of Applicant.

1. *Type* or *print* the name of the applicant in the manner in which the signature is usually affixed.

Where Form FCI-212-C is being submitted by a married woman, the full christian name, additional initials, if any, and the husband's surname shall be shown instead of the husband's name preceded by the designation "Mrs."

Example: Correct: Mary A. Doe.

Incorrect: Mrs. John W. Doe.

However, where a married woman is acting in a fiduciary capacity, the name shall be printed or typed in the manner set forth in the authorization to act, whether by court order or simple trust agreement.

2. *Type* or *print* the complete mailing address in order that all correspondence may be promptly forwarded to the applicant.

BEFORE FORM FCI-212-C OR FORM FCI-212A-C IS SIGNED BY THE APPLICANT, THE NECESSARY INFORMATION SHALL BE INSERTED IN ACCORDANCE WITH THIS PROCEDURE IN PARAGRAPHS 1, 3, AND 7 OF FORM FCI-212-C AND THE NECESSARY INFORMATION INSERTED ON THE CONTINUATION SHEET (FORM FCI-212A-C) IF SUCH CONTINUATION SHEET IS USED.

To determine whether a signature has been properly affixed or whether a fiduciary who has signed in a representative capacity has authority to act in the capacity shown, the county committee shall be guided by the instructions set forth in Form ACP-16, "Instructions on Signatures and Authorizations."

In those cases where the county committee is not satisfied that the person signing the application has authority to act, evidence of authority shall be obtained and filed in the office of the county committee.

The applicant shall sign his name in paragraph 8 in the same manner as the printed or typed name and shall indicate the date of signing.

Where Form FCI-212-C is being signed by an agent or fiduciary the name of the principal shall appear immediately above the agent's signature. These signatures shall be affixed in accordance with the instructions outlined in Form ACP-16.

F. Paragraph 9. Certification and Acceptance by the County Committee.

In those cases where insurance is being written on the basis of an irrigated yield and rate, the county committee shall determine that the irrigation system is adequate before accepting Form FCI-212-C and Form FCI-212A-C.

In any case in which the county committee determines that the risk to be incurred by the Corporation through the acceptance of the application warrants such action, the application shall not be accepted but shall be handled in accordance with General Procedure 4.

1. *Acceptable Forms FCI-212-C and Form FCI-212A-C.*—Form FCI-212-C and Form FCI-212A-C shall be carefully reviewed by the county committee and, if acceptable, a member of the county committee shall sign the certification and acceptance on behalf of the Corporation. Until such certification and acceptance has been executed, the applicant shall not be given his copy of Form FCI-212-C.

The signature of the applicant in paragraph 8 of Form FCI-212-C, the signature of a member of the county committee in paragraph 9 of Form FCI-212-C and the signatures in column C of Form FCI-212A-C shall not be deleted from such forms under any circumstances.

If after Form FCI-212-C has been executed by the applicant and accepted by the county committee on behalf of the Corporation, it appears that Form FCI-212-C should not have

been accepted by the county committee on behalf of the Corporation either because the signature of the applicant was not properly executed, or for any other reason, the signature of the county committee shall not be deleted but a statement shall be prepared and attached to each copy of Form FCI-212-C when such form is transmitted to the office of the state committee. In such cases the applicant's copy of Form FCI-212-C shall be retained by the county committee unless it has already been forwarded to the applicant. In the event the branch office copy and the state committee's copy of the properly executed Form FCI-212-C have been transmitted to the office of the state committee and the county committee is of the opinion that Form FCI-212-C should not have been accepted by the county committee on behalf of the Corporation, a statement of facts shall be prepared in triplicate, and two copies transmitted immediately to the office of the state committee.

2. *Absentee Owners or Landlords.*—Where insurance is desired by an absentee owner or landlord, the county committee shall prepare Form FCI-212-C for the signature of the absentee owner or landlord. The absentee owner or landlord shall be advised that the signed Forms FCI-212-C shall be submitted to the office of the county committee not later than the final date established by the Corporation for the submission of applications to the office of the county committee, or the beginning of the planting of the cotton crop, whichever occurs first.

As Forms FCI-212-C executed by absentee owners or landlords cannot be accepted after the final date set for the submission of Forms FCI-212-C to the office of the county committee, or the beginning of the planting of the cotton crop, whichever occurs first, the county committee shall prepare Forms FCI-212-C for the signature of the absentee owners or landlords, having an interest in the crop, sufficiently in advance of the closing date to permit the return of the properly executed Forms FCI-212-C to the office of the county committee on or before the final date for the submission of applications.

Forms FCI-212-C for absentee owners or landlords shall not be listed on Form FCI-215 nor accepted by the county committee until the fully executed Form FCI-212-C is received in the office of the county committee.

3. *Forms FCI-212-C and Forms FCI-212A-C Which Cannot Be Accepted.*—Forms FCI-212-C and Forms FCI-212A-C executed by applicants but not acceptable to the county committee, shall be numbered and listed on Form FCI-215 and transmitted to the office of the state committee.

All cases in which the applicant has made his application for insurance contingent upon the action taken by the Corporation on an appeal on a lint cotton insurance per acre or a premium rate shall not be accepted by the county committee.

A line shall be drawn through the data for the unaccepted Forms FCI-212-C appearing on Form FCI-215. A notation shall be placed on Form FCI-215, under the column headed "Remarks," indicating those cases which have been suspended by the county committee or have not been accepted by the county committee. These notations shall be made on all copies of Form FCI-215.

In the event the county committee determines that Form FCI-212-C shall not be accepted, the certificate of the county committee shall not be executed, but a memorandum shall be prepared outlining all the reasons why Form FCI-212-C was *not* accepted. The original of the memorandum shall be attached to the original of Form FCI-212-C, a copy attached to the state office copy of Form FCI-212-C, and a copy attached to the county office copy of Form FCI-212-C. It is suggested that all Forms FCI-212-C which are not accepted, be carefully reviewed prior to forwarding to the office of the state committee. Form FCI-212-C shall not be marked in any manner indicating that it is not acceptable except that the certificate of the county committee shall not be signed.

Where payment has been made on the note but the county committee has not accepted Form FCI-212-C and Form FCI-212A-C, the amount collected shall be transmitted to the

branch office accompanied by the original of Form FCI-217, and the branch office copy of Form FCI-213.

In no event shall collections be retained in the office of the county committee pending correction of Forms FCI-212-C and Forms FCI-212A-C, or for any other reason.

4. *Correction of Forms FCI-212-C or Forms FCI-212A-C.*—All changes or corrections to be made on Form FCI-212-C or Form FCI-212A-C after such form has been accepted by the county committee on behalf of the Corporation, whether the changes are to be made on Form FCI-212-C or Form FCI-212A-C or by means of the execution of Form FCI-2, must conform to the "1942 Cotton Crop Insurance Regulations," and established procedure. All cases that cannot be handled in this manner must be handled in accordance with General Procedure 4 as outlined in section I, paragraph L of this procedure.

The signature of the insured on Form FCI-2 or the initials of the insured on Form FCI-212-C or Form FCI-212A-C, as the case may be, agreeing to corrections on Form FCI-212-C or Form FCI-212A-C shall be obtained only where the lint cotton insurance per acre is reduced, the premium rate is increased, the designation of grade and staple length is changed, or the insured percentage is changed.

(a) REVISIONS OR CORRECTIONS TO BE MADE ON FORM FCI-212-C OR FORM FCI-212A-C SHALL BE DESIGNATED UNDER TWO DIFFERENT CLASSES:

1. Those cases necessitating the approval of the applicant where the lint cotton insurance per acre is reduced, the premium rate is increased, the designation of the grade and staple is changed, or the insured percentage is changed.

a. When the revisions or corrections are discovered by the county committee *before* Form FCI-212-C and Form FCI-212A-C are forwarded to the state office, the applicant *if he is present in the county office*, shall initial such revisions or corrections. In these cases it will not be necessary to prepare Form FCI-2.

b. When the revisions or corrections are discovered by the county committee *before* Form

FCI-212-C and Form FCI-212A-C are forwarded to the state office and the *applicant is not present in the county office*, Form FCI-2 shall be prepared and forwarded to the applicant for his signature.

c. When the revisions or corrections are discovered by the county committee after Form FCI-212-C and Form FCI-212A-C have been forwarded to the state office, Form FCI-2 shall be prepared and forwarded to the applicant for signature.

In no case shall Form FCI-212-C or Form FCI-212A-C be released to the applicant for initialing.

2. All other revisions or corrections on an application that do not require the approval of the applicant.

a. When the revisions or corrections are discovered by the county committee *before* Form FCI-212-C and Form FCI-212A-C are forwarded to the state office, a line shall be drawn through the incorrect information appearing on such form, and the correct information shall be inserted.

b. When the revisions or corrections are discovered by the county committee *after* Form FCI-212-C and Form FCI-212A-C have been forwarded to the state office, Form FCI-2 shall be prepared in the regular manner; however, such form need not be forwarded to the applicant for signature.

(b) NOTATIONS ON FORM FCI-212-C.

In every case where Form FCI-2 is prepared, the originating office shall detach the last (white) copy of Form FCI-2 and attach it to the related Form FCI-212-C and Form FCI-212A-C. In addition, the necessary changes shall be indicated on Form FCI-212-C or Form FCI-212A-C by striking through the incorrect entry and inserting the correct data.

(c) TRANSMITTAL OF FORMS FCI-2.

Forms FCI-2, which are transmitted to the office of the state committee by the county committee after Forms FCI-212-C and Forms FCI-212A-C have been forwarded to the office of the state committee, shall be listed on a Form FCI-215 prepared in the regular manner except that the words "Forms FCI-2"

shall be shown in the space provided for transmittal number and no entry should be shown in column C for the number of farms shown in paragraph 3 of Form FCI-212-C. In those cases in which Forms FCI-212-C are being transmitted to the state office, accompanied by Form FCI-2, the listing on Form FCI-215 should be made in the ordinary manner and *not* on a Form FCI-215 marked "Forms FCI-2." In other words, the county committee shall list on Forms FCI-215 those Forms FCI-2 which do not accompany the related Form FCI-212-C or Form FCI-212A-C to the office of the state committee.

5. *Cancellations.*—All requests for cancellation must be handled in accordance with General Procedure 4. The general policy of the Corporation with respect to rejection or cancellation of insurance contracts is outlined in section I, paragraph K. The method of handling individual meritorious cases is set forth in section I, paragraph L.

G. Preparation of Form FCI-212A-C.

This form may be used to obtain the signature of those sharecroppers or operators of field-rented tracts desiring insurance who have an interest in any of the farms shown in paragraph 3 of the related Form FCI-212-C, and in such cases separate Forms FCI-212A-C are to be used for each individual farm. Do not insert the state and county code and application number as this information shall be inserted by the county committee when Forms FCI-212-C are listed on Form FCI-215. In those instances in which such applicants sign a Form FCI-212-C, the entries to be made in paragraph 3 of such form shall be consistent with the instructions given below.

As outlined in paragraph 2 of subsection D of section I of this procedure, Form FCI-212A-C shall be attached to Form FCI-212-C and transmitted to the state office with the related Form FCI-212-C.

1. Insert the name and address of the operator and the listing sheet serial number in the space provided therefor.

2. Insert in column A, an adequate description of the insurance unit in order that such insurance unit may be readily identified.

3. Insert in column B the name and address of the applicant who has an interest in the insurance unit described in column A.

4. The applicant shall enter his signature in column C.

5. Where the signature in column C is by mark, one witness shall sign in column D.

6. The practice such as "Irrigated," or "Nonirrigated," if shown in column B of Form FCI-212-C, shall be inserted in column E.

7. Enter the appraised lint cotton insurance per acre in column F and the appraised premium rate per acre in column G as determined in accordance with instructions given below.

(a) APPRAISAL OF LINT COTTON INSURANCE PER ACRE AND PREMIUM RATE PER ACRE FOR INSURANCE UNITS LESS THAN A FARM.

The county committee shall appraise the lint cotton insurance per acre and the premium rate per acre for an insurance unit less than a farm by comparing the unit with other similar farms in the community of like size giving particular consideration to the general fertility, soil, topography, drainage, producing methods, productivity, and risk of loss.

The appraised lint cotton insurance per acre to be entered in column F shall not *exceed* that shown on Form FCI-203-C for the entire farm unless the larger figure can be justified in which case a memorandum shall be prepared, in triplicate, setting forth the basis for the action taken. Such memorandum should include a showing that the aggregate weighted average of the lint cotton insurance per acre for all units on the farm does not exceed the lint cotton insurance per acre for the farm as a whole; or such memorandum should include an indication of the offsetting lint cotton insurance figures on the other units that are below the farm average, and the acreage applicable thereto. The original of this memorandum shall be attached to the original of the application, and the copies attached to the state and county office copies of the application.

In addition to the essentials specified above for establishing an appraised premium rate, the county committee should consider the additional risk of loss (in terms of the premium

rate established for the farm) incurred by insuring only a part of the entire farm. In these cases, unless the county committee determines otherwise, it will not be necessary to consider making an adjustment to reflect increased risk of loss where the farm listed on Form FCI-203-C is broken down into less than 4 insurance units.

In order to provide the county committee with a means of establishing a premium rate per acre for an insurance unit less than a farm that will reflect the additional risk of loss incurred by insuring only a part of an entire farm, there follows two methods of arriving at an increase factor to be applied to the appraised premium rate per acre. It should be noted that where the exact number of units to be established on the farm is not known, but the size of the unit for which insurance has been requested is known it will *only* be possible to use Method 2 as given below.

The appraised premium rate per acre to be entered in column G shall not be *less* than the premium rate per acre for the entire farm, as adjusted to reflect the rate increase factor, in those cases where 4 or more units have been established on the farm, unless the smaller figure can be completely justified in which case a memorandum shall be prepared, in triplicate, setting forth the basis for the action taken.

(b) DETERMINATION OF RATE INCREASE FACTOR FOR FRACTIONAL PARTS OF FARMS.

Studies were made and it was determined by the Corporation that indemnities would be incurred on farms of smaller acreage more frequently than on farms of larger acreage. The losses on larger farms were spread over greater acreage and even though a loss occurred on one portion the rest of the farm would often make the insured production, and, consequently, no indemnity would be paid. If cotton crop insurance is to be written on individual basis where there is more than one producer on the farm, it is obvious that an indemnity may be paid to an individual producer without the farm as a whole having enough loss to be indemnified. As a result, the Corporation incurs a greater liability by insuring fractional

parts of a farm. To compensate for this additional liability the "increase table" on this page was established to arrive at a rate that was commensurate with the additional risk of insuring fractional parts of farms.

An increase in the premium rate of 3 percent was necessary to compensate for the risk incurred by separating a farm into two parts and an additional increase of 1 percent for each additional part thereafter. The Corporation determined that no increase for fractional parts would be applied to the rate on farms having less than four units.

However, since this procedure is based on the assumption that all units on the farm will be approximately the same size, a separate method is necessary for increasing rates where the fractional parts of the farm vary greatly in size. Consequently, two methods for increasing rates are outlined herein. *Method 1* is for use in those instances in which the number of units on the farm is known and the units are relatively the same size (that is, that the largest unit is not more than twice as large as the smallest unit). *Method 2* is for use in those cases in which the number of units is not known, but where the size of the unit on which insurance has been requested is known.

METHOD 1.—When the producer units on a farm are definitely known and are reasonably uniform in size, as described above, the increase factor for each unit shall be the figure directly opposite the number of units for the farm on the increase table, this page.

METHOD 2.—Where there are four or more tenant or sharecropper units on a farm and the units are not uniform in size as described above or the number of such units is not known, an increase factor shall be determined for each unit by dividing the farm cotton acreage allotment by the cotton acreage in each unit (carry to two decimal places and round to a whole number). The increase factor will be the figure opposite this number on the increase table. For example, if a 60-acre allotment is divided into four units of 30, 10, 10, and 10 acres, the rate for the 30-acre unit would be increased as if the farm were broken into two units ($60 \div 30 = 2$) and the rate for

the ten-acre units would be increased as if the farm were broken into six parts ($60 \div 10 = 6$). This process shall be repeated for all units of the farm.

It is to be noted that premium rates determined by the application of these factors are the lowest premium rates and that premium rates for individual insurance units less than a farm should generally be in excess of such rates. In any instance in which rates for such units are less than rates so determined, a memorandum should be prepared in triplicate giving complete justification for such rates. The original of this memorandum should be attached to the original of the application, and the copies attached to the state and county office copies of the application.

INCREASE TABLE

for Fractional Parts of Farms

No. of units in farm:	Increase factor
2 ¹ -----	1.03
3 ¹ -----	1.04
4-----	1.05
5-----	1.06
6-----	1.07
7-----	1.08
8-----	1.09
9-----	1.10
10-----	1.11
11-----	1.12
12-----	1.13
13-----	1.14
14-----	1.15
15-----	1.16
16-----	1.17
17-----	1.18
18-----	1.19
19 or more-----	1.20

¹ These rate increases should be used where applicable for *Method 2 only*.

SECTION III. PAYMENTS ON NOTES, PREPARATION OF FORM FCI-213, "RECEIPT," AND PREPARATION OF FORM FCI-217, "RECORD OF RECEIPTS AND CASH COLLECTIONS."

A. General.

All premiums shall be collected by the execution and payment of a note which is a part of the application. The signature of the ap-

plicant in paragraph 8 of Form FCI-212-C or the signature of the applicant in column C of Form FCI-212A-C, constitutes the execution of the note as well as the agreement of the applicant to the provisions and terms of the insurance contract. Payments may be made on the note at the time Form FCI-212-C or Form FCI-212A-C is submitted, or at any future date, and such payment in terms of pounds of cotton applied toward payment of the note. Payment on notes may be made by check, money order, or bank draft payable to the order of THE TREASURER OF THE UNITED STATES, by cash, or by warehouse receipt if such warehouse receipt is submitted to the county office before the maturity date of the note.

The office of the county committee shall transmit all amounts paid on notes and deposits by cash, check, money order, bank draft, or warehouse receipt to the branch office of the Corporation on the day that such collections are made. All checks and drafts are accepted subject to collection.

Form FCI-213 shall be prepared for all collections received in the office of the county committee. Forms FCI-213 shall be listed on Form FCI-217. The original of Form FCI-217, the branch office copy of Form FCI-213, and all collections must be forwarded to the *branch office of the Corporation* on the day that such collections are received in the office of the county committee. Since the Corporation is using Form FCI-217 as the basis for cotton purchases, it is necessary that the original Form FCI-217 be transmitted to the branch office each day that collections are received in the office of the county committee.

B. Cash Items.

ALL MONEY ORDERS SHOULD BE DRAWN PAYABLE TO THE ORDER OF THE TREASURER OF THE UNITED STATES AT THE CITY IN WHICH THE BRANCH OFFICE IS LOCATED.

The person forwarding a remittance drawn payable to other than the Treasurer of the United States shall stamp or write on the back and at the top of the remittance, and

above the endorsement of the payee, the following restrictive endorsement:

“Pay to the order of the Treasurer of the United States.”

Amounts paid on cotton notes or the tender of deposits in the form of cash, bank draft, or money order shall be accepted in accordance with the 1942 Cotton Crop Insurance Regulations.

C. Warehouse Receipts.

1. TENDER OF WAREHOUSE RECEIPTS.—When the applicant wishes to pay a note in cotton, such applicant shall deliver on or before the maturity date of the note to the office of the county committee, a warehouse receipt or other instrument acceptable to the Corporation representing whole bales of salable cotton. A warehouse receipt shall be deemed acceptable to the Corporation if such warehouse receipt *can be sold immediately by the county committee.*

2. SALE OF WAREHOUSE RECEIPTS.—The county committee shall sell the cotton represented by such warehouse receipts on the day that they are received. A record of the facts with respect to each sale incorporating the state and county code and application number, the name of the buyer, warehouse receipt number, number of pounds, grade and staple length of cotton, sales price, warehouse charges assessed against the cotton, and the net proceeds of the sale shall be prepared and signed by the county committee for attachment to the original and all copies of Form FCI-213. The county committee shall carefully ascertain marketing conditions in the county in order to secure the highest obtainable price on such sales.

3. PAYMENT ON NOTE.—The net proceeds from such sale shall be divided by the applicable price, for the day that the warehouse receipt was tendered to the county committee in order to obtain the number of pounds of cotton to be applied toward payment on the note. The net proceeds from the sale of warehouse receipts shall be shown in paragraph 1 of Form FCI-213. The amount received from

the sale of the warehouse receipt and the number of pounds paid on the note as shown on Form FCI-213 shall be listed on Form FCI-217. Form FCI-217, Form FCI-213, and the cash items must be forwarded to the branch office of the Corporation each day that collections are made by the county committee.

D. Preparation of Form FCI-213.

Form FCI-213 is to be issued only in those cases where payment is made on the cotton note either by cash, check, money order, bank draft, or proceeds from the sale of warehouse receipts.

1. The state and county code and application number shall be inserted on Form FCI-213 after an application number has been assigned to the Form FCI-212-C and such form is listed on Form FCI-215 in accordance with section IV of this procedure.

2. Insert a check mark (✓) in the space opposite the word "cotton."

3. *Print* or *type* the name of the applicant as shown on Form FCI-212-C or Form FCI-212A-C or the name of the transferee in those cases where the payment on the note is made by such transferee.

4. Paragraph 1. Indicate by check mark the manner of payment; that is, by money order, bank draft, cash, check, or proceeds from the sale of warehouse receipt.

5. Enter the amount received by money order, bank draft, cash, check, or net proceeds from the sale of warehouse receipt. If a warehouse receipt is tendered in payment of the note, Form FCI-213 shall not be prepared until the net proceeds of the sale of the warehouse receipt have been received by the county committee in order that the amount may be inserted in paragraph 1.

6. Enter the amount representing payment of the note and the amount representing a tender of deposit for payment of future premiums. Deposits must be tendered with Form FCI-212-C or Form FCI-212A-C.

7. The person receiving the payment shall sign his name and indicate his title and the date of such collection in the spaces provided therefor.

8. In every case where Form FCI-213 is prepared, the following information shall be inserted in the spaces provided therefor in paragraph 2:

(a) The number of the latest price card received by the county committee shall be inserted in the space provided therefor.

(b) Immediately following the word "For," in the space provided, identify the area.

(c) The spaces provided for the "Basic market" price and the "Price differential" shall be left blank.

(d) The cash equivalent price to be entered in the appropriate space will be the price shown on the price card currently in use in the county, for the grade and staple length of cotton specified in column F of paragraph 3 of Form FCI-212-C. If for any reason the price and price card number used is other than that shown on the latest price notice received in the county office for the date shown in paragraph 1, the county committee shall indicate the reason for such discrepancy in the space provided for remarks, before the Form FCI-213 is transmitted to the branch office.

(e) The grade and staple length to be inserted in the space provided shall be that shown in column F of paragraph 3 of Form FCI-212-C.

9. Where payment is made on a note, the amount paid, shown in paragraph 1, shall be divided by the cash equivalent price and the resulting pounds of cotton paid inserted in the space provided for Pounds Paid on Note in paragraph 3. The computation shall be rounded in accordance with subsection G of section I of this procedure.

The words "bushel" and "bushels" shall be crossed out in paragraph 3.

10. Where only a part of the note is being paid, it will not be necessary for the county committee to compute the total premium in pounds in paragraph 4.

11. It will be necessary to compute the total premium in pounds of cotton in paragraph 4 only in those cases where:

(a) The county committee is requiring an immediate payment on a note, due to the fact that the applicant does not agree to participate

in the 1942 Agricultural Conservation Program or where the applicant desires to pay the premium in cash.

(b) The applicant wishes to pay his note to the extent of the premium pounds based on the acreage allotment or permitted acreage, whichever is applicable, for the insurance units listed in paragraph 3 of Form FCI-212-C or on Form FCI-212A-C in which the applicant has an interest.

Where the applicant has signed Form FCI-212A-C the premium will be based on the applicant's share of the acreage allotment or permitted acreage, whichever is applicable, for the entire farm.

Where it is necessary to complete paragraph 4, "Computation of Premium," the following information shall be inserted in such table:

(a) In column A, the listing sheet serial number(s) for the insurance unit(s) shown in paragraph 3 of Form FCI-212-C or on Form FCI-212A-C in which the applicant has an interest.

NOTE.—All the insurance units in the county in which the applicant has an interest at the time Form FCI-212-C is executed shall be shown on Form FCI-212-C and the information for these same insurance units shall be listed on Form FCI-213. If Forms FCI-219-C have been prepared by the county committee, for any additional insurance units that were not listed on Form FCI-212-C, such units shall be listed in column A of paragraph 4 of Form FCI-213.

(b) In column B, the acreage allotment or permitted acreage, whichever is applicable, for those insurance units, listed in column A. If Forms FCI-219 have been prepared, the planted acreage not in excess of the acreage allotment or permitted acreage, whichever is applicable, shall be shown in column B.

(c) In column C, the applicant's interest in the cotton crop shall be shown.

(d) In column D, the total premium in pounds of cotton for each insurance unit shall be shown. The total premium in pounds of

cotton shall be determined by multiplying the acreage used for the computation of premium, shown in column B of Form FCI-213, by the premium rate, shown in column E of Form FCI-212-C or column G of Form FCI-212A-C, whichever is applicable, by the applicant's interest in the cotton crop.

In making this computation, first multiply the acreage by the premium rate and round the result to whole pounds. Then apply the applicant's interest in the cotton crop to the result and round the product to whole pounds. All computations shall be rounded in accordance with subsection G of section I of this procedure.

In the event the result thus obtained for any insurance unit is less than the minimum premium of 10 pounds, the minimum premium shall be entered in column D.

(e) Total the entries in column D, and insert the result at the bottom of such column.

Cash collections shall be converted into money orders and the money order fees shall be paid from the funds of the county agricultural conservation association as an expense of the crop insurance program.

E. Preparation of Form FCI-217.

The original of *Form FCI-217 and all collections must be forwarded to the branch office of the Corporation* on the day that such collections are received in the office of the county committee. Since the Corporation is using Form FCI-217 as a basis for cotton purchases, it is necessary that the original Form FCI-217 be transmitted to the branch office each day that collections are received in the office of the county committee.

The following information shall be inserted on the original and two copies of Form FCI-217:

1. The state and county code.
2. The transmittal number of the Form FCI-217 for the particular county.

The transmittal sheet number shall be assigned consecutively to each Form FCI-217 beginning with number 1 for the first Form FCI-217 prepared for each county.

3. The date that the collections were received in the office of the county committee.

4. In the space provided, opposite the word "Cotton," a check mark (✓) shall be inserted.

5. In column (A), the application number shown on Form FCI-212-C and Form FCI-213.

6. In column (B), the name of the person making the payment as shown on Form FCI-213.

7. In column (C), the pounds paid as shown on Form FCI-213.

8. In column (D), the cash paid as shown in paragraph 1 of Form FCI-213.

9. Total columns (C) and (D) and insert the result in the spaces provided for such totals.

10. A member of the county committee, or other authorized representative of the county committee, shall indicate his approval of the Form FCI-217 by signing in the space provided.

As indicated above, the original Form FCI-217 shall be transmitted directly to the *branch office of the Corporation* listing all collections received on a particular day. One copy of the Form FCI-217 will be forwarded to the office of the state committee and one copy retained in the office of the county committee.

SECTION IV. PREPARATION OF FORM FCI-215, "TRANSMITTAL SHEET"

A. Numbering of Forms FCI-212-C.

1. Application numbers shall be assigned consecutively to Forms FCI-212-C in the order of the receipt of such Forms FCI-212-C, and Forms FCI-212A-C. This same application number shall also be inserted on the related Form FCI-212A-C, if such form is attached to Form FCI-212-C.

Form FCI-212-C and Form FCI-212A-C should not be approved until all possible signatures have been obtained on Form FCI-212A-C.

If Form FCI-213 is prepared in connection with the application, the same application number shall be shown on Form FCI-213 as that assigned to the corresponding Form FCI-

212-C. The state and county code shall be inserted on Form FCI-212-C, Form FCI-212A-C, and Form FCI-213.

One application number will be assigned to each application covering all insurance units in the county in which the applicant executing Form FCI-212-C has an insurable interest.

B. Preparation of Form FCI-215.

Upon completion of the steps indicated in paragraph A above, prepare Form FCI-215 inserting thereon the following information:

1. The applicable state and county code and transmittal sheet number assigned by the county committee.

(a) The transmittal sheet numbers shall be assigned consecutively to each transmittal sheet beginning with number 1 for the first Form FCI-215 for each county.

2. The word "Cotton" in the space provided in the title of the form.

3. In column A, the application number as shown at the top of Form FCI-212-C.

4. In column B, the name of the applicant shown in paragraph 8 of Form FCI-212-C. This name must agree with the signature of the applicant.

5. In column C, the number of farms shown in paragraph 3 of Form FCI-212-C.

6. In column D, the number of insurance units listed on the related Form FCI-212A-C. This figure shall be circled.

In every case where a suspension has been made by the county committee the words "Suspended by County Committee" shall be entered in column D.

7. The total of the entries appearing in column C in the space provided at the bottom thereof.

8. A member of the county committee, or other authorized representative of the county committee, shall indicate his approval of Form FCI-215 by signing in the space provided.

The original Form FCI-215 shall be transmitted directly to the branch office of the Corporation by the office of the county committee on Monday of each week. All remaining copies of Form FCI-215, with the exception of the county committee's copy, together with

the related Forms FCI-212-C and Forms FCI-212A-C shall also be transmitted on Monday of each week to the office of the state committee.

C. Suspension of Forms FCI-212-C.

1. Where a Form FCI-212-C has been suspended from the original Form FCI-215, the cause for suspension should be cleared by the county committee as soon as possible. When the suspension is cleared or the county committee determines that the suspension cannot be cleared, Form FCI-212-C shall immediately be listed on Form FCI-215 plainly marked, "Supplemental" in the space provided at the top of the form for the transmittal number.

In these cases a transmittal sheet number shall not be inserted on Form FCI-215.

2. In those instances in which it is necessary to suspend only one of the cases listed on the Form FCI-212A-C, the county office shall prepare a statement of facts in triplicate outlining the reason for suspension. The original of this memorandum shall be attached to the original Form FCI-212A-C and a copy shall be attached to the state office copy of Form FCI-212A-C, when these forms are forwarded to the office of the state committee. A copy of this memorandum shall also be attached to the county office copy of Form FCI-212A-C. In these cases, it will not be necessary to hold Forms FCI-212A-C until such time as the suspension is cleared. These cases should be forwarded *without delay* in order that Forms FCI-218 may be issued for the balance of the applicants listed on Form FCI-212A-C.

3. The county committee shall insert in the column headed "Remarks" on such supplemental Form FCI-215 the transmittal sheet number upon which Form FCI-212-C was originally listed, in order to provide a cross-reference to the original Form FCI-215.

Distribution of these supplemental Forms FCI-215 *shall be made currently.*

SECTION V. APPLICATION FOR INSURANCE ON A FARM, OR A UNIT LESS THAN A FARM, AND SUCH FARM IS NOT LISTED ON FORM FCI-203-C.

Where an application is submitted in connection with a farm or an insurance unit less than a farm and such farm is not listed on Form FCI-203-C, the lint cotton insurance per acre and premium rate for such farm shall be recommended and listed on a supplementary listing sheet, Form FCI-203-C, prepared in accordance with Form FCI-201-C. The lint cotton insurance per acre and the premium rate shown on the supplemental Form FCI-203-C shall be entered on the application requesting insurance on the farm. For insurance on a unit less than a farm the lint cotton insurance per acre and the premium rate per acre for such unit shall be determined in accordance with section II, G, of this procedure and the figures so determined shall be entered on the application.

In such cases Forms FCI-212-C and Forms FCI-212A-C, shall be accepted by the county committee on behalf of the Corporation in the regular manner. However, the county committee shall attach a memorandum to Form FCI-212-C, in these cases, and the Corporation will review the lint cotton insurance per acre and premium rates shown on Form FCI-212-C and Form FCI-212A-C to determine that they are acceptable to the Corporation before Form FCI-218 is issued by the branch office.

SECTION VI. COMBINATIONS, FRACTIONAL PARTS OF THE FARM (SHARECROPPER OR SHARE TENANT UNITS, FIELD-RENTED TRACTS, DIVISIONS), IRRIGATED AND NON-IRRIGATED LAND, AND OTHER UNUSUAL CASES.

A. GENERAL—Computation of Premium.

In case 1 and case 2, outlined below, where it is necessary to compute the total premium in pounds of cotton *before* Form FCI-219 is prepared, the entry to be made in column B of

paragraph 4 of Form FCI-213 shall be the acreage allotment or permitted acreage, whichever is applicable.

In case 3, case 4, and case 5 (A), outlined below, where it is necessary to compute the total premium in pounds of cotton *before* Form FCI-219 is prepared, the entry to be made in column B of paragraph 4 of Form FCI-213 shall be that portion of the acreage allotment or permitted acreage, whichever is applicable, for the entire farm, that the applicant intends to plant to cotton on the insurance unit or portion thereof for which the premium is being computed.

Where it is necessary to compute the total premium in pounds of cotton *after* the Form FCI-219 has been prepared, the entry to be made in column B of paragraph 4 of Form FCI-213 shall be the acreage used for the computation of premium as shown on Form FCI-219.

B. Variations of Yields and Rates Shown on Form FCI-203-C.

It is to be noted that nothing in these instructions shall be construed as preventing the establishment of yields and rates which differ from that shown on Form FCI-203-C in those cases in which the various areas comprising the farm vary widely in soil type, topography, productivity, or risk of loss. Changes in the yields and rates shown on Form FCI-203-C will generally fall into one of the following groups:

1. **WIDELY VARYING TRACTS.**—In those instances in which areas of a farm listed on Form FCI-203-C vary widely from the remainder of the farm because of productivity, soil type, topography or risk of loss, separate lint cotton insurance per acre and premium rates shall be established for each tract which will reflect such variations. Each tract should be listed separately in paragraph 3 of Form FCI-212-C. The lint cotton insurance per acre and the premium rate established to reflect the variation between the tracts of the same farm shall be identified by inserting in columns D and E of paragraph 3 of Form FCI-212-C, immediately above the lint cotton insurance per acre and premium rate, the

word or words which will indicate the soil type, topography, etc., upon which the appraisal of such lint cotton insurance per acre and premium rate was based.

Since these tracts are considered as one farm for purposes of the crop insurance program, one Form FCI-219 will be prepared listing all the tracts for the farm, and in the event a loss is sustained on such farm, one Form FCI-267-C will be prepared for the entire farm.

The county committee shall prepare a memorandum in each of these cases indicating all the reasons for establishing a lint cotton insurance per acre and premium rate for the individual tracts of the same farm. An appropriate notation shall be made on Form FCI-203-C which is filed in the office of the county committee. The original of this memorandum shall be attached to the original Form FCI-212-C, a copy attached to the state office copy of Form FCI-212-C, and a copy attached to the copy of Form FCI-212-C which is retained in the files of the office of the county committee.

2. **DIVISION OF FARMS.**—In those instances in which a farm listed on Form FCI-203-C is divided due to a change in ownership or operation, yields and rates should be established for individual portions in accordance with the procedure outlined for the "Memorandum Work Sheet" and related example set forth at the close of this section of the procedure.

C. Special Cases.

CASE 1. Where Two or More Farms Listed Separately on Form FCI-203-C Have Been Combined Into One Farm.—In the event two or more farms have been listed separately on Form FCI-203-C because such farms were owned or operated by different persons, the lint cotton insurance per acre and premium rate for each individual farm shall be inserted in paragraph 3 of Form FCI-212-C, even though such farms have been combined under one ownership and one operation in 1942.

Individual Forms FCI-219 will be prepared in these cases and, if a loss is sustained, a separate Form FCI-267-C, "Statement in Proof of Loss," will be prepared for each individual

farm listed in paragraph 3 of Form FCI-212-C.

CASE 2. Where Two or More Farms or Tracts Under Different Ownership Are Combined Under One Operation in Accordance with the Procedure Relative to the Agricultural Conservation Program.—Where two or more tracts or farms under different ownership are combined under one operation under the Agricultural Conservation Program, paragraph 3 of Form FCI-212-C shall show the information for each farm included in the combination in which the applicant has an interest and shall be listed separately.

Individual Forms FCI-219 will be prepared in these cases, and if a loss is sustained, a separate Form FCI-267-C will be prepared for each individual farm listed on Form FCI-212-C.

CASE 3. Irrigated and Nonirrigated Land.—*a.* Where a farm contains both irrigated and nonirrigated land and separate yields and premium rates have been established on Form FCI-203-C, the irrigated and nonirrigated lint cotton insurance per acre and premium rates shall be listed separately in paragraph 3 of Form FCI-212-C with the identifying letter ("I" or "NI") inserted in column B. In these cases:

1. *Where a Part of the Farm Is Irrigated and Part of the Farm Is Nonirrigated Every Year.*

Individual Forms FCI-219 will be prepared in connection with each such portion and, in the event a loss is sustained on either the irrigated or nonirrigated portions, a separate Form FCI-267-C, "Statement in Proof of Loss," will be prepared in connection with each such portion.

2. *Where the Farm or Portions Thereof Are Irrigated in Some Years and Not Irrigated in Others.*

One Form FCI-219 shall be prepared for the farm showing the applicable lint cotton insurance per acre and premium rates for the irrigated and nonirrigated land. In the event a loss is sustained, one Form FCI-267-C, "Statement in Proof of Loss," will be prepared covering the entire farm.

b. Where it has not been determined before the closing date for the receipt of applications in the county office that a portion of the farm will be irrigated, and a general yield and premium rate for the farm has been established on Form FCI-203-C, the application shall be prepared for the farm on the basis of such general yield and premium rate and one Form FCI-219 will be prepared for the farm and in the event a loss is sustained, one Form FCI-267-C, "Statement in Proof of Loss," will be prepared.

CASE 4. Fractional Parts of a Farm.—The procedure outlined below shall be followed in all cases where the Agricultural Conservation Program work-sheet farm, as listed on Form FCI-203-C, is broken down into fractional parts, and shall be applicable to sharecropper or share tenant units, field-rented tracts, and division of farms due to a change in ownership or operation. The time the farm is divided into fractional parts has a direct bearing on the method of handling; consequently, if the farm, as listed on Form FCI-203-C, is divided into fractional parts they shall be handled as follows:

A. When divisions take place *after* the approved Form FCI-203-C is received in the county office and *before* the closing date.

1. Insurance unit for owner, landlord, or operator of a farm:

In all instances in which a farm is divided because of change in ownership or operation, a memorandum work sheet, example of which is given on page —, shall be prepared and the farms resulting from the division shall be handled as individual producer's units in accordance with paragraph 2 below.

(a) *Applications.*—The owner, landlord, or operator desiring insurance shall file Form FCI-212-C on or before the closing date, indicating in paragraph 3 thereof the lint cotton insurance per acre and premium rate approved for the farm as shown on Form FCI-203-C.

(b) A Form FCI-219 will be prepared based on the acreage of cotton planted on the entire farm, and the insured's interest to be indicated thereon shall be the insured's interest in the entire cotton crop at the time of the beginning of the planting of the cotton crop.

(c) A Form FCI-267-C, "Statement in Proof of Loss," will be prepared by the owner, landlord, or operator in those cases where the insured's share of the actual production of cotton on the entire farm is *less* than his insured production for such farm.

(d) *Transfers*.—Where a transfer of all or a part of the interest in all or a part of the acreage occurs before the beginning of the planting of the cotton crop, the person or persons acquiring the interest transferred must execute Form FCI-212-C on or before the closing date if the portion of the farm transferred is to be covered by insurance.

2. Insurance unit for individual producers:

(a) The producer operating an insurance unit comprising only part of a farm (including those owners or operators of farms resulting from a division of a farm listed on Form FCI-203-C) who desires insurance shall sign Form FCI-212-C or Form FCI-212A-C at any time prior to the closing date.

(b) *Acreage report*.—Form FCI-219 will be prepared based on the acreage of cotton planted on the particular producer's unit, and the interest to be indicated thereon shall be the applicable interest in the cotton crop on such unit at the time of the beginning of the planting of the cotton crop.

(c) *Statement in proof of loss*.—A Form FCI-267-C, "Statement in Proof of Loss," will be prepared by the producer operating the individual unit in those cases where the actual production on such unit is *less* than the insured production on the same unit.

(d) *Transfers*.—The procedure outlined in paragraph 1 (d) of subsection A above shall be followed.

B. When divisions take place *after* the closing date but *before* the beginning of the planting of the cotton crop:

1. Insurance unit for owner, landlord, or operator of a farm: In these cases, the procedure outlined in paragraph 1 of subsection A of case 4 shall be followed, however, it must be noted that Form FCI-212-C shall have been submitted to the office of the county committee on or before the closing date.

2. Insurance unit for individual producers:

(a) *Applications*.—Form FCI-212-C or Form FCI-212A-C *shall not* be accepted unless they are submitted to the office of the county committee on or before the closing date.

(b) *Acreage report*.—Form FCI-219 will be prepared based on the acreage of cotton planted on the particular producer's unit, and the interest to be indicated thereon shall be the applicable interest in the cotton crop on such unit at the time of the beginning of the planting of the cotton crop.

(c) *Statement in proof of loss*.—Where such producers executed Form FCI-212-C or Form FCI-212A-C on or before the closing date:

In case of loss, the indemnity payment will be computed on the actual production and insured production for each individual producer's unit and will be payable to the producer operating the individual unit.

(d) Where a transfer of all or part of the interest in all or a part of the acreage occurs before the beginning of the planting of the cotton crop, the person or persons acquiring the interest transferred must have executed Form FCI-212-C or Form FCI-212A-C on or before the closing date if the portion of the farm transferred is to be covered by insurance.

C. When the division takes place *after* the date of the beginning of the planting of the cotton crop but *before* the beginning of the harvest or the time of loss, whichever occurs first.

1. Insurance unit for owner, landlord, or operator of a farm:

The procedure outlined in paragraph 1 of subsection A of case 4 shall be followed, with the additional feature that transfers shall be made automatically and, accordingly, any indemnity payment in connection with a loss sustained on an insured farm will be payable to the person or persons having the interest which was covered by the insurance contract as of the beginning of the harvest of the insured crop or the time of loss, whichever oc-

curs first, *except* that where such transfers result in a division of the farm into four or more portions losses will be determined on the basis of the transferor's interest before transfer and paid jointly or to one of the insured on behalf of all persons having an interest.

2. Insurance units for individual producers:

(a) *Applications*.—Forms FCI-212-C or Forms FCI-212A-C shall not be accepted unless they are submitted to the office of the county committee on or before the closing date.

(b) *Acreage report*.—Form FCI-219 shall not be prepared covering the interest of those persons who acquired such interest after the beginning of the planting of the cotton crop as Form FCI-219 reflects the interest in the cotton crop at the time of the beginning of the planting of such cotton crop.

(c) *Statement in proof of loss*.—Any indemnity payment under the contract will be made to the person(s) having the insured interest at the time of loss unless transfers result in a division of the farm into four or more units, in which case the loss will be determined on the basis of the transferor's interest before transfer and paid jointly or to one of the insured on behalf of all persons having an interest.

(d) *Transfers*.—Where a transfer of all or part of the interest in all or a part of the acreage covered by the insurance contract takes place after the beginning of the planting of the cotton crop and before the time of loss, the transfer of the insurance relative thereto shall be automatic.

D. *After* the beginning of harvest or time of loss, whichever occurs first: Insurance shall not attach to any portion of the cotton crop which is transferred after the time of loss.

CASE 5. *Other Unusual Cases*.—A. Insurance on cotton planted on the riverbank side of the levee.

In those cases where a farm includes land on the riverbank side of the levee and such acreage was not considered in establishing the lint cotton insurance and premium rate for the entire farm, the county committee shall have

appraised individual yields and rates for the farm; that is, one yield and rate for the acreage on the riverbank side of the levee and one yield and rate for the acreage inside the levee.

Only one Form FCI-219 shall be prepared, but the information relative to the acreage on the riverbank side of the levee and the acreage inside the levee shall be listed separately.

In these cases, if a loss is sustained, one Form FCI-267-C shall be prepared on the basis of the actual production and the insured production for the entire farm.

B. Revision of insured percentage.

Where the applicant applies for 75-percent insurance on two or more farms, and the county committee determines that the insured percentage for one of the farms should be reduced to 50 percent, the county committee shall not accept Forms FCI-212-C.

In these cases, the county committee shall prepare a memorandum, in triplicate, outlining in detail all of the facts pertaining to the application, as well as the recommendations of the county committee. The original and one copy of this memorandum, together with the required copies of Form FCI-212-C, shall be forwarded to the office of the state committee in the manner outlined in paragraph 3 of subsection F of section II.

C. Other cases.

All other cases not covered specifically by this procedure shall be handled in accordance with General Procedure 4, "Procedure for Handling Individual Cases."

MEMORANDUM WORK SHEET TO BE USED IN DETERMINING YIELD AND PREMIUM RATES FOR A FARM THAT IS TO BE DIVIDED

In those cases where a farm is being divided because of the change in ownership or operation, it will be necessary for the county committee to appraise a yield and premium rate for each of the divided parts. When appraising yields and premium rates for the divided parts, the county committee shall make such appraisals by comparing yields and premium rates on similar farms and take into

account the relative difference in production of the divided parts.

The appraised yields for all divided parts when weighted with their respective acreage allotments shall not be greater than the yield for the farm before the division occurred.

The appraised premium rates for all divided farms when weighted with their respective acreage allotments shall not be less than the premium rate for the farm before the division occurred.

In those instances in which the farm is divided into four or more parts, the premium rates for such parts after division shall be subject to the same limitations as those outlined for fractional parts of a farm in subsection G of section II of this procedure.

Following is an example of the work sheet to be used in determining yield and premium rates for a farm that is to be divided:

EXAMPLE OF WORK SHEET

Item	Farm to be divided	Farms after division	
		X	Y
1. Cotton listing sheet farm No.....			
2. Crop Insurance Application No.....			
3. Name of owner.....	A	X	Y
4. Cotton acreage allotment.....	120	80	40
5. Average yield per acre.....	225	223	218
6. Yield times acreage.....	27,000	17,840	8,720
7. Premium rate.....	18	20	19
8. Premium rate times acreage.....	2,160	1,600	760
9. Rate adjusted by increase factor.....			

METHOD FOR WEIGHTING YIELDS.—(The allotment for farm X of 80 acres times the appraised yield of 223 pounds) plus (the allotment of 40 acres for farm Y times the appraised yield of 218 pounds) equals 26,560 pounds. This is approximately equal to and not greater than the figure 27,000 shown in item 6 for farm A.

METHOD FOR WEIGHTING PREMIUM RATE.—(The allotment for farm X of 80 acres times the premium rate of 20 pounds) plus (the allotment of 40 acres for farm Y times premium rate of 19 pounds) equals 2,360 pounds. This is approximately equal to and not less than the figure 2,160 shown in item 8 for farm A.

The lint cotton insurance per acre and the premium rate per acre, as adjusted by the increase factor, if necessary, for the farms resulting from the division, shall be entered on Form FCI-212-C.

SECTION VII. PREPARATION OF FORM FCI-2, "AGREEMENT."

A. Form FCI-2 provides a means of correcting or supplementing certain entries appearing on Form FCI-212-C or Form FCI-212A-C after such forms have been listed on Form FCI-215. Form FCI-2 shall *not* be used to obtain a correction of the signature of the insured as shown on Form FCI-212-C, or the signature of a sharecropper or operator of field-rented tracts shown on Form FCI-212A-C. In the event the signature of the insured has not been properly affixed to Form FCI-212-C, or on Form FCI-212A-C, or the person signing on behalf of the insured did not have authority to act in such capacity, a complete statement of facts shall be prepared by the county committee and attached to Form FCI-212-C or Form FCI-212A-C. If Form FCI-212-C or Form FCI-212A-C has been previously transmitted to the office of the state committee, a complete statement of facts shall be prepared in triplicate and forwarded immediately to the office of the state committee giving the reasons for taking exception to the insured's signature as affixed on Form FCI-212-C or Form FCI-212A-C.

B. Form FCI-2 shall be prepared in the following manner:

1. Indicate the state and county code and application number in the space provided in the upper right corner of Form FCI-2.

2. Type or print in paragraph 1 the name of the insured.

3. Enter in paragraph 2 the number and title of the application form, that is, Form FCI-212-C, "Application for Cotton Crop Insurance," or Form FCI-212A-C, "Continuation Sheet."

4. Enter in paragraph 2 in the space provided the correction or revision that is to be made on Form FCI-212-C or Form FCI-212A-C.

A reference should be made to the particular item of Form FCI-212-C or Form FCI-212A-C that is being revised or corrected.

5. Where the insured percentage is changed, the lint cotton insurance per acre is reduced, the premium rate per acre is increased, or the grade and staple is changed after Form FCI-212-C and Form FCI-212A-C have been listed on Form FCI-215, the insured shall date and sign in the spaces provided in paragraph 2. It will not ordinarily be necessary to obtain the signature of the insured to any changes other than those outlined above, as the signature of a member of the county committee or a member of the state committee will suffice.

6. The signature of a member of the county committee or a member of the state committee together with the date of such signature shall be shown in paragraph 3 or paragraph 4, as the case may be.

7. Indicate by checkmark (✓) in the spaces provided in paragraph 5 the office originating Form FCI-2.

SECTION VIII. APPLICATIONS SUSPENDED BY STATE COMMITTEE.

A. General.

The correction of Forms FCI-212-C or Forms FCI-212A-C suspended by the state committee shall be accomplished by the preparation of Form FCI-2. Accordingly all Forms FCI-212-C or Forms FCI-212A-C received by the office of the state committee shall be transmitted eventually to the branch office of the Corporation. Therefore, the state committee shall not transmit Forms FCI-212-C or Forms FCI-212A-C to the office of the county committee for correction as all such corrections will be recorded on Form FCI-2, which will become a part of the related Form FCI-212-C or Form FCI-212A-C.

In those instances where it is necessary to suspend only one of the cases listed on the Form FCI-212A-C, the state office should prepare a statement of facts outlining the reason for suspension. This statement of facts should be attached to the original Form FCI-212A-C and forwarded to the branch office. In these cases, it will not be necessary to hold Forms FCI-212A-C until the suspension is cleared, as such cases should be forwarded without delay to the branch office in order that Forms

FCI-218 may be issued for the balance of the applicants listed on Form FCI-212A-C.

Form FCI-2 shall *not* be used to obtain a correction of the signature of the insured. In the event it is determined that the signature of the insured has not been properly affixed to Form FCI-212-C or Form FCI-212A-C or the person signing on behalf of the insured did not have authority to act in such a capacity, the state committee should request the county committee to furnish a statement of all the facts in the case and such cases shall be handled in accordance with the instructions set forth in General Procedure 4.

B. Corrections by Use of Form FCI-2.

1. **BY THE INSURED.**—It will be necessary to obtain the signature of the insured in paragraph 2 of Form FCI-2 only in those cases where the lint cotton insurance per acre is reduced, the premium rate is increased, the grade and staple length is changed, or the insured percentage is changed as outlined in paragraph 4 of subsection F of section II. The signature of the insured on Form FCI-2 should be the same as that shown on the related Form FCI-212-C or Form FCI-212A-C except where Form FCI-2 is executed by a person who signs as fiduciary or agent, or in a representative capacity. In such cases the county committee shall have determined that such fiduciary, agent, or representative has authority to act in the capacity shown. In these cases, Form FCI-2 shall be prepared by the state committee in the manner outlined in section VII of this procedure, and all copies, with the exception of the originating office copy, shall be forwarded to the office of the county committee.

As noted above, Forms FCI-212-C or Forms FCI-212A-C shall *not* be returned to the office of the county committee.

2. **BY THE COUNTY COMMITTEE.**—A member of the county committee shall insert his signature and the date of such signature in paragraph 3 of all Forms FCI-2, which are signed by the insured, and also all Forms FCI-2 which are originated by the county committee.

3. **BY THE STATE COMMITTEE.**—Where the necessary corrections or revisions are discovered by the state committee, Form FCI-2 shall be prepared by the state committee in accordance with the instructions outlined in section VII of this procedure. If the lint cotton insurance per acre, the premium rate, or the insured percentage is changed as a result of such corrections, all copies of Form FCI-2, with the exception of the originating office copy, shall be transmitted to the office of the county committee to obtain the signature of the insured and the approval of the county committee.

As any other change does not require the signature of the insured, the necessary corrections discovered by the state committee shall also be listed on Form FCI-2, but it will not be necessary to transmit the Form FCI-2 to the office of the county committee for securing the signature of a county committeeman as the signature of the state committee will suffice. However, the state committee shall furnish the county committee with a copy of Form FCI-2 in order that the county committee may be informed of the change made in the office of the state committee.

C. Notations on Form FCI-212-C or Form FCI-212A-C.

In every case where Form FCI-2 is prepared, the originating office copy shall be attached to the related Form FCI-212-C or Form FCI-212A-C which is filed in the originating office. In addition, the necessary changes shall be indicated on Form FCI-212-C or Form FCI-212A-C by striking through the incorrect entry and entering the correct data. Furthermore, when distribution of the copies of Form FCI-2 is made in accordance with section XII of this procedure, the approved copy of Form FCI-2 shall be attached to the related copy of Form FCI-212-C or Form FCI-212A-C which is filed in the respective office.

D. Transmittal of Forms FCI-2.

Those Forms FCI-2 which were prepared by the state committee and forwarded to the office of the county committee to obtain the

signature of the insured and the approval of the county committee shall be returned to the office of the state committee listed on a Form FCI-215, prepared in the regular manner, except that the words, "Forms FCI-2," will be shown in the space provided for transmittal number and no entry should be shown in column C for the number of farms shown in paragraph 3 of Form FCI-212-C.

Where Form FCI-2 prepared by the state committee does not require the signature of the insured, a member of the state committee shall affix his signature and insert the current date in the space provided therefor on Form FCI-2. In these cases the county committee's copy and the insured's copy of Form FCI-2 shall be forwarded to the office of the county committee. The original shall be attached to the related Form FCI-212-C or Form FCI-212A-C before such forms are forwarded to the branch office of the Corporation.

SECTION IX. FORM FCI-216, "ACKNOWLEDGMENT OF FORMS FCI-217, RECEIPTS AND CASH COLLECTIONS."

Upon receipt of the original (pink copy) of Form FCI-216, note the remarks listed on this form and make the necessary corrections on all forms in the office of the county committee which are affected by such changes.

SECTION X. NOTICE OF CONFIRMATION.

Upon receipt of Form FCI-218, attach such form to the copy of the related Form FCI-212-C or Form FCI-212A-C in the files of the office of the county committee.

It is to be noted that a Form FCI-218 will be issued in connection with each insured listed on Form FCI-212A-C.

SECTION XI. ASSIGNMENTS AND TRANSFERS OF INTEREST.

A. Signatures.

To determine whether a signature has been properly affixed or whether a fiduciary who has signed in a representative capacity has

authority to act in the capacity shown, the county committee should be guided by the instructions set forth in Form ACP-16, "Instructions on Signatures and Authorizations."

In those cases where the county committee is not absolutely certain that the person signing Form FCI-220 or Form FCI-221 has authority to act, evidence of such authority shall be obtained and filed in the county office. In case any notice of confirmation is, or will be, issued in the names of two or more persons jointly, and the insurance contract is assigned or transferred, a Form FCI-220 or a Form FCI-221, whichever is applicable, shall be prepared by the persons listed on Form FCI-218.

B. Limitations on Transfers and Assignments.

1. **TRANSFERS.**—Where all or part of the entire interest in the cotton crop or all or part of the interest in a portion of the cotton crop on an insurance unit covered by an insurance contract is transferred to another person before the beginning of the planting of the cotton crop, the interest transferred will not be covered by insurance unless an application has been properly submitted on or before the closing date by the person to whom such interest is transferred.

In those cases where a transfer is executed after the planting of the crop, the transferee automatically acquires an interest in the insurance contract and is liable for his proportionate share, based on the interest and acreage acquired, of any unliquidated balance on the note.

Payment of indemnities will be made to the person or persons having an insured interest in the crop at the time of the beginning of harvest or at the time of loss, whichever occurs first.

If such insured interest is acquired as the result of a transfer of all or a part of the interest in all or part of the insured crop, payment will be made (a) on the basis of the insured production and the actual production for the entire farm if, as a result of transfers of all or a portion of the insured interest in a portion of the acreage, the farm is divided

into 4 or more individual portions, or (b) on the basis of the insured production and the actual production for the individual portions if, as a result of transfer(s) of all or a portion of the insured interest in a portion of the acreage, the farm is divided into 3 or less individual portions.

2. **ASSIGNMENTS.**—An insurance contract may be assigned as collateral for:

(a) *A current loan.*—By current loan is meant the amount of the indebtedness for the particular crop year, and not the carryover of a preceding year's indebtedness which is placed in the status of a current loan merely by the inclusion in a current note or other evidence of indebtedness.

(b) *Current advances for equipment or supplies to assist in the making of a crop for the current crop year.*—These current advances may include the current annual installment on equipment but shall not include any past due installments carried over from other crop years.

(c) *Payments due under existing agreements.*—The amount of the current year's rental due under a leasing agreement with respect to the farm upon which the insured crop is or will be planted, or the amount of the current annual installment due under a purchase, mortgage, or trust agreement covering the purchase of the farm upon which the insured crop is or will be planted, and an additional amount of any delinquency which may be due under the purchase, mortgage, or trust agreement of not to exceed the amount of the current annual installment including interest and taxes.

C. Effect of Assignments.

All assignments shall be subject in all respects to the provisions of the insurance contract.

D. Collateral Assignment of Insurance Contract.

1. **GENERAL.**—Form FCI-220, "Collateral Assignment," is prescribed by the Corporation for use in all cases where assignments are being made. Assignments may be made at any time after the application is accepted by

the county committee on behalf of the Corporation, subject to the approval of the Corporation and to the conditions set forth in the "1942 Cotton Crop Insurance Regulations."

2. EXECUTION OF ONE COLLATERAL ASSIGNMENT.—Only one collateral assignment will be recognized in connection with an insurance contract. Form FCI-220 may not be executed with respect to individual farms within a county but must relate to the entire insurance contract. A release, however, may be executed for a collateral assignment previously signed and a new assignment may be executed in favor of the original assignee or another.

3. COLLATERAL ASSIGNMENTS IN CONNECTION WITH RECORD OF TRANSFER.—Where a transfer of all or a portion of the interest in all or a part of the acreage has been effected and Form FCI-220 was executed by the transferor, either before or after the effective date of the transfer, the unliquidated amount of the collateral assignment, executed by such transferor, shall be deductible from any indemnity payment due in connection with the insurance contract. The collateral assignment shall apply only to payments being made under the insurance contract, and a Form FCI-220 executed by the transferee shall not be accepted by the county committee on behalf of the Corporation.

4. APPROVAL.—The approval of Form FCI-220 by the Corporation will be evidenced by the signature of the Manager and the countersignature of a member of the county committee. The approval of an assignment by the county committee on behalf of the Corporation shall not create in the assignee any right other than that derived from the assignor.

The original and two copies of all approved Forms FCI-220 shall be retained in the office of the county committee until the *first* Form FCI-267-C, "Statement in Proof of Loss," executed in connection with the assignor's interest in the insurance contract, is submitted to the office of the state committee. Form FCI-220 shall accompany the first Form FCI-267-C, submitted in connection with the insurance contract covered by the collateral assignment at the time that such Form FCI-267-C is submitted to the state office.

5. PREPARATION AND EXECUTION OF FORMS FCI-220.—The following information shall be inserted on the original and four copies of Form FCI-220:

(a) The State and county code and application number.

(b) *In part I.*—(1) The typed or printed name of the assignor and his full mail address. Determine that the name of the assignor is the same as that shown on Form FCI-212-C and Form FCI-218, if issued.

(2) The names of the county and state in which the assignor resides.

(3) The amount of the cash consideration.

(4) The typed or printed name of the assignee and his full mail address.

(5) The names of the county and state in which the assignee resides.

(6) The signature of the assignor.

(7) The signature of a disinterested person witnessing the signature of the assignor.

(8) The date Form FCI-220 is signed by the assignor.

(9) The signature of the assignee.

(10) The signature of a disinterested person witnessing the signature of the assignee.

(11) The date Form FCI-220 is signed by the assignee.

(12) The date and hour that the assignment was filed in the county office shall be inserted.

(c) *In part II.*—Where Form FCI-220 has been examined by a representative of the county committee and found to be acceptable to the Corporation, a member of the county committee shall sign in the space provided in part II. The date and place of signature shall also be inserted.

6. EXECUTION OF PART III.—If at the time Form FCI-267-C is submitted the indebtedness has been liquidated in whole or in part, the assignee shall execute the original and four copies of part III, Representations of Assignee, of the same or *another* set of Form FCI-220, indicating therein the amount of indebtedness still undischarged by the assignor. In the event the indebtedness has been fully liquidated at the time of submission of Form FCI-267-C, a memorandum of release prepared in accordance

with the instructions outlined in paragraph 7 below, will serve the same purpose as the execution of part III of Form FCI-220. If part III of another set of Form FCI-220 has been executed, a copy shall be transmitted to the assignor, a copy transmitted to the assignee, and the original and two copies attached to the respective original and two copies of Form FCI-220 which have been retained in the county office. Forms FCI-220 together with attachments, if any, shall be carefully filed in the county office as in the event of loss these forms must be examined to ascertain the status of the indebtedness. If the indebtedness has been fully liquidated, Form FCI-220 shall be retained in the county office. However, if there is still an amount due the assignee at the time of loss, the original and one copy of Form FCI-220 with attachments, if any, shall be forwarded to the office of the state committee with the first Form FCI-267-C submitted in connection with the insurance contract covered by Form FCI-220.

7. MEMORANDUM OF RELEASE OF ASSIGNMENT.—When the indebtedness with respect to which the assignment was given is paid or otherwise discharged prior to the time an indemnity payment is made by the Corporation to the assignor, a memorandum of release may be executed in lieu of part III of another Form FCI-220. This memorandum of release must be prepared in writing setting forth the name of the assignor and his full mail address and the place and date of execution and must be signed by the assignee in the presence of a disinterested person who shall sign the memorandum as a witness to the assignee's signature. In the event of the death, incompetency, insolvency, or bankruptcy of the assignee, the release memorandum must be executed by the person or persons authorized by law to administer the personal estate of the assignee. Proper evidence of the authority of such person or persons must be presented in accordance with Form ACP-16.

Upon execution of a release, it should be delivered to the county committee for the county in which the farm covered by the insurance contract is located. This memorandum of re-

lease will be attached to the copies of Form FCI-220 filed in the county office and no further action with respect to the related Form FCI-220 need be taken.

8. In every case where Form FCI-220 is executed, a notation shall be placed on the related Form FCI-212-C which is maintained in the files of the office of the county committee in order that the collateral assignment may not be overlooked at the time the first Form FCI-267-C, "Statement in Proof of Loss," executed in connection with the insurance contract covered by Form FCI-220 is submitted to the office of the state committee.

E. Form FCI-108, "Notice of Transfer, Harvest, Removal, or Other Use of ——— Crop."

Form FCI-108, "Notice of Transfer, Harvest, Removal, or Other Use of ——— Crop," is prescribed by the Corporation as the form to be used in advising the county committee of all cases of transfers of interest or transfers of acreage. Form FCI-108 shall be made available to all insured persons for use in every case of transfer.

1. PREPARATION AND EXECUTION OF FORM FCI-108.—Immediately after a transfer has taken place, the insured shall prepare part I of Form FCI-108 and shall forward such form to the office of the county committee.

F. Record of Transfer.

It will not be necessary to prepare Form FCI-221 to record a transfer of all or a portion of the interest in all or a portion of the acreage where such transfer takes place before the beginning of the planting of the cotton crop as Form FCI-219 will reflect the acreage and the interest that the insured has in such acreage at the time of the beginning of the planting of the cotton crop.

Where a transfer of all or a portion of the interest in all or a portion of the acreage is effected after the beginning of the planting of the cotton crop and before the time of loss or the beginning of harvest of the insured crop, whichever occurs first, Form FCI-221 shall be prepared by the county committee based upon

the information contained in Form FCI-108 or upon other reliable information.

Where a transfer of interest or transfer of acreage is being effected, a separate Form FCI-221 shall be executed with respect to each farm affected by such transfer and covered by the cotton crop insurance contract.

The county committee shall supervise the preparation of Form FCI-221 as such form will be used as the basis for the division of the premium to be collected from the transferor and transferee.

All indemnity payments under the 1942 Cotton Crop Insurance Program will be made to the person(s) having an interest in the cotton crop which was insured at the time of loss, as defined in the 1942 Cotton Crop Insurance Regulations, or the beginning of harvest, whichever occurs first.

The distribution of Form FCI-221 shall be made in accordance with paragraph J of section XII of this procedure.

The following information shall be inserted on the original and two copies of Form FCI-221:

1. The state and county code and application number.

2. The agricultural conservation program farm number.

3. The crop insurance farm identification number in those cases where Form FCI-221 is prepared after Form FCI-219 has been prepared.

4. The typed or printed name of the transferor.

5. The full mailing address of the transferor.

6. The date of the transfer.

7. The typed or printed name of the transferee.

8. The full mailing address of the transferee.

9. In paragraph 1, if all or a portion of the interest in the entire insured crop has been transferred:

- (a) The amount in percent which represents the percentage of the transferor's interest in the insurance contract that is being transferred.

- (b) Enter in the next two spaces provided, the percentage of interest that the transferee and the transferor, respectively, will have in

the cotton crop on the farm covered by the insurance contract after the transfer is effected.

10. In paragraph 2, where the entire interest in a portion of the cotton acreage is transferred, the number of acres in which the entire interest is transferred.

11. In paragraph 3, where part of the interest in a portion of the cotton acreage is transferred:

- (a) The amount in percentage which represents the percentage interest in the acreage being transferred.

- (b) The acreage in which a part of the interest is being transferred.

12. The approval on behalf of the county committee shall be evidenced by the signature of a county committeeman or other authorized representative of the county committee with the date of such approval.

SECTION XII. DISTRIBUTION OF FORMS.

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-2, "Agreement."

1. Original (white) forwarded to the branch office.

2. Copy (yellow) transmitted to the insured.

3. Copy (green) filed in the office of the state committee.

4. Copy (pink) filed in the office of the county committee.

5. Copy (white) retained by office originating Form FCI-2.

NOTE.—Before Form FCI-2 indicating the corrections is filed, each office shall enter the corrected data on the original form and attach Form FCI-2 to the form being corrected.

B. Form FCI-212-C, "Application for Cotton Crop Insurance."

1. Original (white) forwarded to the office of the state committee for transmittal to the branch office.

2. Copy (yellow) given to the person who signed the form in paragraph 8.

The applicant shall not be given his copy of Form FCI-212-C until the

certification and acceptance by the county committee has been properly executed.

3. Copy (green) for state office files.

4. Copy (pink) retained in the county office files.

C. Form FCI-212A-C, "Continuation Sheet."

As Form FCI-212A-C is a part of Form FCI-212-C, the distribution of Form FCI-212A-C will correspond with the distribution of Form FCI-212-C.

In those cases where an insured sharecropper or tenant requests a copy of Form FCI-212-C, the county committee shall prepare and transmit to such insured a copy of Form FCI-212-C.

D. Form FCI-213, "Receipt."

1. Original (white) given to the applicant at the time of payment.

2. Copy (yellow) forwarded directly to the branch office, accompanied by premium collections, together with Form FCI-217.

3. Copy (green) transmitted to the office of the state committee for filing.

4. Copy (pink) retained in the files of the office of the county committee.

E. Form FCI-215, "Transmittal Sheet."

1. Original (white) transmitted directly to the branch office on Monday of each week.

2. Copy (green) forwarded to the office of the state committee at the time Forms FCI-212-C are sent to the office of the state committee on Monday of each week.

3. Copy (yellow) forwarded to the office of the state committee at the time Forms FCI-212-C are sent to the office of the state committee and will be transmitted to the branch office with Forms FCI-212-C.

4. Copy (pink) retained in the files of the county office.

F. Form FCI-216, "Acknowledgment of Forms FCI-217, Receipts and Cash Collections."

1. Original (pink) transmitted by branch office to office of the state committee for forwarding to the office of the county committee.

2. Copy (green) forwarded by branch office to the office of the state committee for filing.

3. Copy (yellow) retained in the branch office files.

G. Form FCI-217, "Record of Receipts and Cash Collections."

1. Original (white) forwarded *daily* direct to the branch office as collections are received accompanied by Form FCI-213 and cash items.

2. Copy (green) sent to the office of the state committee for filing.

3. Copy (pink) retained in the files of the office of the county committee.

H. Form FCI-218, "Notice of Confirmation."

Form FCI-218 will be prepared in connection with both Form FCI-212-C and Form FCI-212A-C.

1. Original (white) sent to the applicant by the branch office.

2. Copy (yellow) retained in branch office files.

3. Copy (green) forwarded by branch office to office of the state committee for filing.

4. Copy (pink) will be forwarded by branch office to the office of the state committee for forwarding to the office of the county committee, where it shall be attached to county office copy of Form FCI-212-C or Form FCI-212A-C, whichever is applicable.

I. Form FCI-220, "Collateral Assignment."

1. Original and two copies retained in files of the office of the county committee.

If, in the event of loss, the amount of indebtedness has not been fully liquidated, the original and one copy of Form FCI-220 with attachments, if any, are to be forwarded to the office of the state committee with the first Form FCI-267-C.

However, if the amount of indebtedness covered by the assignment has been fully liquidated, Form FCI-220 with attachments, if any, shall be retained in the files of the office of the county committee.

2. Copy to the Assignor.

3. Copy to the Assignee.

J. Form FCI-221, "Record of Transfer."

Original and two copies retained in the files of the office of the county committee until the related Form FCI-219 is transmitted to the

office of the state committee. Where Form FCI-221 is prepared after the related Form FCI-219 has been forwarded to the office of the state committee, the original and one copy of Form FCI-221 shall be currently transmitted to the office of the state committee.

SECTION XIII. CLOSING DATES FOR SUBMISSION OF APPLICATIONS AND THE MATURITY DATES FOR NOTES.

The closing dates established by the Corporation for the submission of applications to the office of the county committee, and the dates established by the Corporation for the maturity of 1942 cotton crop insurance premium notes are listed below.

However, in connection with the maturity dates of the premium notes, if a loss is sustained in connection with the insurance contract and the certificate of indemnity is presented to the Corporation for settlement, or to the Commodity Credit Corporation for a loan, before the applicable maturity date shown below, the maturity date shall become the day the cash equivalent is established for purposes of settlement or the day application for a loan is made, as the case may be.

State	Closing dates for submission of applications	Maturity dates for notes
Alabama:		
Autauga.....	Mar. 15, 1942	Oct. 5, 1942
Baldwin.....	Mar. 1, 1942	Sept. 15, 1942
Barbour.....		
Bibb.....	Mar. 15, 1942	Oct. 5, 1942
Blount.....		
Bullock.....	Mar. 1, 1942	Sept. 15, 1942
Butler.....		
Calhoun.....	Mar. 15, 1942	Oct. 5, 1942
Chambers.....		
Cherokee.....		
Chilton.....		
Choctaw.....	Mar. 1, 1942	Sept. 15, 1942
Clarke.....		
Clay.....	Mar. 15, 1942	Oct. 5, 1942
Cleburne.....		
Coffee.....	Mar. 1, 1942	Sept. 15, 1942
Colbert.....	Mar. 15, 1942	Oct. 5, 1942
Conecuh.....	Mar. 1, 1942	Sept. 15, 1942
Coosa.....	Mar. 15, 1942	Oct. 5, 1942
Covington.....		
Crenshaw.....	Mar. 1, 1942	Sept. 15, 1942
Cullman.....	Mar. 15, 1942	Oct. 5, 1942
Dale.....	Mar. 1, 1942	Sept. 15, 1942
Dallas.....		
De Kalb.....	Mar. 15, 1942	Oct. 5, 1942
Elmore.....	Mar. 1, 1942	Sept. 15, 1942
Escambia.....		
Etowah.....		
Fayette.....	Mar. 15, 1942	Oct. 5, 1942
Franklin.....		
Geneva.....	Mar. 1, 1942	Sept. 15, 1942
Greene.....	Mar. 15, 1942	Oct. 5, 1942
Hale.....		
Henry.....	Mar. 1, 1942	Sept. 15, 1942
Houston.....		

State	Closing dates for submission of applications	Maturity dates for notes
Alabama—Continued.		
Jackson.....	Mar. 15, 1942	Oct. 5, 1942
Jefferson.....		
Lamar.....		
Lauderdale.....		
Lawrence.....		
Lee.....		
Limestone.....		
Lowndes.....	Mar. 1, 1942	Sept. 15, 1942
Macon.....	Mar. 15, 1942	Oct. 5, 1942
Madison.....	Mar. 1, 1942	Sept. 15, 1942
Marengo.....		
Marion.....	Mar. 15, 1942	Oct. 5, 1942
Marshall.....		
Mobile.....		
Monroe.....	Mar. 1, 1942	Sept. 15, 1942
Montgomery.....		
Morgan.....		
Perry.....	Mar. 15, 1942	Oct. 5, 1942
Pickens.....		
Pike.....	Mar. 1, 1942	Sept. 15, 1942
Randolph.....	Mar. 15, 1942	Oct. 5, 1942
Russell.....	Mar. 1, 1942	Sept. 15, 1942
St. Clair.....		
Shelby.....		
Sumter.....		
Talladega.....	Mar. 15, 1942	Oct. 5, 1942
Tallapoosa (E).....		
Tallapoosa (W).....		
Tuscaloosa.....		
Walker.....		
Washington.....	Mar. 1, 1942	Sept. 15, 1942
Wilcox.....	Mar. 15, 1942	Oct. 5, 1942
Winston.....		
Arizona:		
All counties.....	Mar. 1, 1942	Oct. 15, 1942
Arkansas:		
All counties.....	Mar. 15, 1942	Oct. 10, 1942
California:		
All counties.....	Mar. 1, 1942	Oct. 1, 1942
Florida:		
All counties.....	Mar. 1, 1942	Sept. 15, 1942
Georgia:		
Appling.....		
Atkinson.....		
Bacon.....	Mar. 1, 1942	Sept. 15, 1942
Baker.....		
Baldwin.....		
Banks.....		
Barrow.....	Mar. 15, 1942	Oct. 10, 1942
Bartow.....		
Ben Hill.....		
Berrien.....		
Bibb.....		
Bleckley.....		
Brantley.....	Mar. 1, 1942	Sept. 15, 1942
Brooks.....		
Bryan.....		
Bulloch.....		
Burke.....	Mar. 15, 1942	Oct. 10, 1942
Butts.....		
Calhoun.....	Mar. 1, 1942	Sept. 15, 1942
Camden.....		
Campbell.....	Mar. 15, 1942	Oct. 10, 1942
Candler.....	Mar. 1, 1942	Sept. 15, 1942
Carroll.....		
Catoosa.....	Mar. 15, 1942	Oct. 10, 1942
Charlton.....		
Chatham.....	Mar. 1, 1942	Sept. 15, 1942
Chattahoochee.....		
Chattooga.....		
Cherokee.....	Mar. 15, 1942	Oct. 10, 1942
Clarke.....		
Clay.....	Mar. 1, 1942	Sept. 15, 1942
Clayton.....	Mar. 15, 1942	Oct. 10, 1942
Clinch.....	Mar. 1, 1942	Sept. 15, 1942
Cobb.....	Mar. 15, 1942	Oct. 10, 1942
Coffee.....		
Colquitt.....	Mar. 1, 1942	Sept. 15, 1942
Columbia.....		
Cook.....		
Coweta.....	Mar. 15, 1942	Oct. 10, 1942
Crawford.....	Mar. 1, 1942	Sept. 15, 1942
Crisp.....		
Dade.....	Mar. 15, 1942	Oct. 10, 1942
Dawson.....		
Decatur.....	Mar. 1, 1942	Sept. 15, 1942
DeKalb.....	Mar. 15, 1942	Oct. 10, 1942
Dodge.....		
Dooley.....	Mar. 1, 1942	Sept. 15, 1942
Dougherty.....		
Douglas.....	Mar. 15, 1942	Oct. 10, 1942

State	Closing dates for submis- sion of appli- cations	Maturity dates for notes	State	Closing dates for submis- sion of appli- cations	Maturity dates for notes
Georgia—Continued.			Georgia—Continued.		
Early	Mar. 1, 1942	Sept. 15, 1942	Towns	Mar. 15, 1942	Oct. 10, 1942
Eckols			Treutlen	Mar. 1, 1942	Sept. 15, 1942
Effingham	Mar. 15, 1942	Oct. 10, 1942	Troup	Mar. 15, 1942	Oct. 10, 1942
Elbert			Turner	Mar. 1, 1942	Sept. 15, 1942
Emanuel	Mar. 1, 1942	Sept. 15, 1942	Twiggs		
Evans			Union	Mar. 15, 1942	Oct. 10, 1942
Fannin	Mar. 15, 1942	Oct. 10, 1942	Upson		
Fayette			Walker	Mar. 1, 1942	Sept. 15, 1942
Floyd	Mar. 15, 1942	Oct. 10, 1942	Walton		
Forsyth			Ware	Mar. 15, 1942	Oct. 10, 1942
Franklin	Mar. 1, 1942	Sept. 15, 1942	Warren		
Fulton			Washington	Mar. 1, 1942	Sept. 15, 1942
Gilmer	Mar. 15, 1942	Oct. 10, 1942	Wayne		
Glascock			Webster	Mar. 15, 1942	Oct. 10, 1942
Glynn	Mar. 1, 1942	Sept. 15, 1942	Wheeler		
Gordon			White	Mar. 1, 1942	Sept. 15, 1942
Grady	Mar. 15, 1942	Oct. 10, 1942	Whitfield		
Greene	Mar. 1, 1942	Sept. 15, 1942	Wilcox	Mar. 15, 1942	Oct. 10, 1942
Gwinnett			Wilkes	Mar. 1, 1942	Sept. 15, 1942
Habersham	Mar. 15, 1942	Oct. 10, 1942	Wilkinson		
Hall	Mar. 1, 1942	Sept. 15, 1942	Worth	Mar. 31, 1942	Oct. 20, 1942
Hancock			Illinois:		
Haralson	Mar. 15, 1942	Oct. 10, 1942	For all counties	Mar. 31, 1942	Oct. 25, 1942
Harris			Kansas:		
Hart	Mar. 1, 1942	Sept. 15, 1942	For all counties	Mar. 31, 1942	Oct. 20, 1942
Heard			Kentucky:		
Henry	Mar. 15, 1942	Oct. 10, 1942	For all counties	Mar. 1, 1942	Sept. 20, 1942
Houston			Louisiana:		
Irwin	Mar. 1, 1942	Sept. 15, 1942	For all counties	Mar. 1, 1942	Sept. 15, 1942
Jackson			Mississippi:		
Jasper	Mar. 15, 1942	Oct. 10, 1942	Adams	Mar. 15, 1942	Sept. 30, 1942
Jeff Davis			Alcorn	Mar. 1, 1942	Sept. 15, 1942
Jefferson	Mar. 1, 1942	Sept. 15, 1942	Amite	Mar. 15, 1942	Sept. 30, 1942
Jenkins			Attala		
Johnson	Mar. 15, 1942	Oct. 10, 1942	Benton	Mar. 1, 1942	Sept. 15, 1942
Jones			Bolivar		
Lamar	Mar. 1, 1942	Sept. 15, 1942	Calhoun	Mar. 15, 1942	Sept. 30, 1942
Lanier			Carroll		
Laurens	Mar. 15, 1942	Oct. 10, 1942	Chickasaw	Mar. 1, 1942	Sept. 15, 1942
Lee			Choctaw		
Liberty	Mar. 1, 1942	Sept. 15, 1942	Claiborne	Mar. 15, 1942	Sept. 30, 1942
Lincoln			Clarke		
Long	Mar. 15, 1942	Oct. 10, 1942	Clay	Mar. 1, 1942	Sept. 15, 1942
Lowndes			Coahoma		
Lumpkin	Mar. 1, 1942	Sept. 15, 1942	Copiah	Mar. 15, 1942	Sept. 30, 1942
McDuffie			Covington		
McIntosh	Mar. 15, 1942	Oct. 10, 1942	DeSoto	Mar. 1, 1942	Sept. 15, 1942
Macon			Forrest		
Madison	Mar. 1, 1942	Sept. 15, 1942	Franklin	Mar. 15, 1942	Sept. 30, 1942
Marion			George		
Meriwether	Mar. 15, 1942	Oct. 10, 1942	Greene	Mar. 1, 1942	Sept. 15, 1942
Miller			Grenada		
Milton	Mar. 1, 1942	Sept. 15, 1942	Hancock	Mar. 15, 1942	Sept. 30, 1942
Mitchell			Harrison		
Monroe	Mar. 15, 1942	Oct. 10, 1942	Hinds	Mar. 1, 1942	Sept. 15, 1942
Montgomery			Holmes		
Morgan	Mar. 1, 1942	Sept. 15, 1942	Humphreys	Mar. 15, 1942	Sept. 30, 1942
Murray			Issaquena		
Muscogee	Mar. 15, 1942	Oct. 10, 1942	Itawamba	Mar. 1, 1942	Sept. 15, 1942
Newton			Jackson		
Oconee	Mar. 1, 1942	Sept. 15, 1942	Jasper	Mar. 15, 1942	Sept. 30, 1942
Oglethorpe			Jefferson		
Paulding	Mar. 15, 1942	Oct. 10, 1942	Jefferson Davis	Mar. 1, 1942	Sept. 15, 1942
Peach			Jones		
Pickens	Mar. 1, 1942	Sept. 15, 1942	Kemper	Mar. 15, 1942	Sept. 30, 1942
Pierce			Lafayette		
Pike	Mar. 15, 1942	Oct. 10, 1942	Lamar	Mar. 1, 1942	Sept. 15, 1942
Polk			Lauderdale		
Pulaski	Mar. 1, 1942	Sept. 15, 1942	Lawrence	Mar. 15, 1942	Sept. 30, 1942
Putnam			Leake		
Quitman	Mar. 15, 1942	Oct. 10, 1942	Lee	Mar. 1, 1942	Sept. 15, 1942
Rabun			Leflore		
Randolph	Mar. 1, 1942	Sept. 15, 1942	Lincoln	Mar. 15, 1942	Sept. 30, 1942
Richmond			Lowndes		
Rockdale	Mar. 15, 1942	Oct. 10, 1942	Madison	Mar. 1, 1942	Sept. 15, 1942
Schley			Marion		
Screven	Mar. 1, 1942	Sept. 15, 1942	Marshall	Mar. 15, 1942	Sept. 30, 1942
Seminole			Monroe		
Spalding	Mar. 15, 1942	Oct. 10, 1942	Montgomery	Mar. 1, 1942	Sept. 15, 1942
Stephens			Neshoba		
Stewart	Mar. 1, 1942	Sept. 15, 1942	Newton	Mar. 15, 1942	Sept. 30, 1942
Sumter			Noxubee		
Talbot	Mar. 15, 1942	Oct. 10, 1942	Oktibbeha	Mar. 1, 1942	Sept. 15, 1942
Taliaferro			Panola		
Tattnall	Mar. 1, 1942	Sept. 15, 1942	Pearl River	Mar. 15, 1942	Sept. 30, 1942
Taylor			Perry		
Telfair	Mar. 15, 1942	Oct. 10, 1942	Pike	Mar. 1, 1942	Sept. 15, 1942
Terrell			Pontotoc		
Thomas	Mar. 1, 1942	Sept. 15, 1942	Prentiss	Mar. 15, 1942	Sept. 30, 1942
Tift			Quitman		
Toombs	Mar. 15, 1942	Oct. 10, 1942	Rankin	Mar. 1, 1942	Sept. 15, 1942

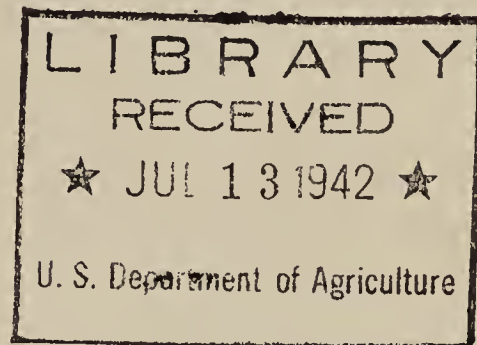
State	Closing dates for submis- sion of appli- cations	Maturity dates for notes	State	Closing dates for submis- sion of appli- cations	Maturity dates for notes
Mississippi—Continued.			Oklahoma—Continued.		
Scott.....	Mar. 15, 1942	Sept. 30, 1942	Osage.....	Mar. 15, 1942	Oct. 15, 1942
Sharkey.....			Ottawa.....		
Simpson.....			Pawnee.....		
Smith.....			Payne.....		
Stone.....			Pittsburg.....		
Sunflower.....	Mar. 15, 1942	Sept. 30, 1942	Pontotoc.....	Mar. 31, 1942	Oct. 25, 1942
Tallahatchie.....			Pottawatomie.....		
Tate.....			Pushmataha.....		
Tippah.....			Roger Mills.....		
Tishomingo.....			Rogers.....		
Tunica.....	Mar. 1, 1942	Sept. 15, 1942	Seminole.....	Mar. 15, 1942	Oct. 15, 1942
Union.....			Sequoyah.....		
Walthall.....			Stephens.....		
Warren.....			Texas.....		
Washington.....			Tillman.....		
Wayne.....	Mar. 1, 1942	Sept. 15, 1942	Tulsa.....	Mar. 31, 1942	Oct. 25, 1942
Webster.....	Mar. 15, 1942	Sept. 30, 1942	Wagoner.....		
Wilkinson.....	Mar. 1, 1942	Sept. 15, 1942	Washington.....		
Winston.....	Mar. 15, 1942	Sept. 30, 1942	Washita.....		
Yalobusha.....			Woods.....		
Yazoo.....			Woodward.....		
Missouri:			South Carolina:		
For all counties.....	Mar. 31, 1942	Oct. 15, 1942	For all counties.....	Mar. 15, 1942	Oct. 5, 1942
New Mexico:			Tennessee:		
For all counties except the following	Mar. 1, 1942	Oct. 15, 1942	For all counties.....	Mar. 15, 1942	Oct. 15, 1942
five:			Texas:		
Curry.....			Anderson.....	Mar. 1, 1942	Sept. 1, 1942
Harding.....			Andrews.....	Mar. 15, 1942	Sept. 15, 1942
Lea.....			Angelina.....	Mar. 1, 1942	Sept. 1, 1942
Quay.....	Mar. 31, 1942	Oct. 15, 1942	Aransas.....		
Roosevelt.....			Archer.....		
North Carolina:			Armstrong.....		
For all counties.....	Mar. 15, 1942	Oct. 25, 1942	Atascosa.....		
Oklahoma:			Austin.....	Mar. 1, 1942	Sept. 1, 1942
Adair.....	Mar. 15, 1942	Oct. 15, 1942	Bailey.....		
Alfalfa.....	Mar. 31, 1942	Oct. 25, 1942	Bandera.....		
Atoka.....	Mar. 15, 1942	Oct. 15, 1942	Bastrop.....		
Beaver.....	Mar. 31, 1942	Oct. 25, 1942	Baylor.....		
Beckham.....			Bee.....	Mar. 1, 1942	Sept. 1, 1942
Blaine.....			Bell.....		
Bryan.....			Bexar.....		
Caddo.....			Blanco.....		
Canadian.....	Mar. 15, 1942	Oct. 15, 1942	Borden.....	Mar. 15, 1942	Sept. 15, 1942
Carter.....			Bosque.....		
Cherokee.....			Bowie.....		
Choctaw.....			Brazoria.....		
Cimarron.....			Brazos.....	Mar. 1, 1942	Sept. 1, 1942
Cleveland.....	Mar. 31, 1942	Oct. 25, 1942	Brewster.....		
Coal.....	Mar. 15, 1942	Oct. 15, 1942	Briscoe.....		
Comanche.....	Mar. 31, 1942	Oct. 25, 1942	Brown.....		
Cotton.....			Brown.....		
Craig.....			Burleson.....	Mar. 1, 1942	Sept. 1, 1942
Creek.....			Burnet.....		
Custer.....	Mar. 31, 1942	Oct. 25, 1942	Caldwell.....		
Delaware.....	Mar. 15, 1942	Oct. 15, 1942	Callahan.....		
Dewey.....	Mar. 31, 1942	Oct. 25, 1942	Cameron.....	Mar. 15, 1942	Sept. 15, 1942
Ellis.....			Camp.....	Jan. 31, 1942	Aug. 1, 1942
Garfield.....			Carson.....	Mar. 15, 1942	Sept. 15, 1942
Garvin.....			Cass.....	Mar. 31, 1942	Oct. 20, 1942
Grady.....			Castro.....	Mar. 15, 1942	Sept. 15, 1942
Grant.....	Mar. 31, 1942	Oct. 25, 1942	Chambers.....	Mar. 31, 1942	Oct. 20, 1942
Greer.....			Cherokee.....		
Harmon.....			Childress.....		
Harper.....			Clay.....		
Haskell.....			Cochran.....		
Hughes.....	Mar. 15, 1942	Oct. 15, 1942	Coke.....	Mar. 15, 1942	Sept. 15, 1942
Jackson.....	Mar. 31, 1942	Oct. 25, 1942	Coleman.....		
Jefferson.....	Mar. 15, 1942	Oct. 15, 1942	Collin.....		
Johnston.....			Collingsworth.....		
Kay.....			Colorado.....		
Kingfisher.....			Comal.....	Mar. 1, 1942	Sept. 1, 1942
Kiowa.....			Comanche.....		
Latimer.....	Mar. 31, 1942	Oct. 25, 1942	Concho.....		
Le Flore.....			Cooke.....		
Lincoln.....			Coryell.....		
Logan.....			Cottle.....	Mar. 1, 1942	Sept. 1, 1942
Love.....	Mar. 15, 1942	Oct. 15, 1942	Crane.....	Mar. 31, 1942	Oct. 20, 1942
McClain.....			Crockett.....	Mar. 15, 1942	Sept. 15, 1942
McCurtain.....			Crosby.....	Mar. 1, 1942	Sept. 1, 1942
McIntosh.....			Culbertson.....	Mar. 31, 1942	Oct. 20, 1942
Major.....			Dallas.....	Mar. 1, 1942	Sept. 1, 1942
Marshall.....	Mar. 31, 1942	Oct. 25, 1942	Dallam.....	Mar. 31, 1942	Oct. 20, 1942
Mayes.....	Mar. 15, 1942	Oct. 15, 1942	Dawson.....	Mar. 15, 1942	Sept. 15, 1942
Murray.....			Deaf Smith.....		
Muskogee.....			Delta.....		
Noble.....			Denton.....		
Nowata.....			De Witt.....	Mar. 1, 1942	Sept. 1, 1942
Okfuskee.....	Mar. 15, 1942	Oct. 15, 1942	Dickens.....		
Oklahoma.....			Dimmit.....		
Okmulgee.....					

State	Closing dates for submis- sion of appli- cations	Maturity dates for notes
Texas—Continued.		
Donley	Mar. 31, 1942	Oct. 20, 1942
Duval	Mar. 1, 1942	Sept. 1, 1942
Eastland	Mar. 15, 1942	Sept. 15, 1942
Ector		
Edwards	Mar. 1, 1942	Sept. 1, 1942
Ellis	Mar. 15, 1942	Sept. 15, 1942
El Paso	Mar. 1, 1942	Sept. 1, 1942
Erath	Mar. 15, 1942	Sept. 15, 1942
Falls	Mar. 1, 1942	Sept. 1, 1942
Fannin	Mar. 15, 1942	Sept. 15, 1942
Fayette	Mar. 1, 1942	Sept. 1, 1942
Fisher	Mar. 15, 1942	Sept. 15, 1942
Floyd	Mar. 31, 1942	Oct. 20, 1942
Foard		
Fort Bend	Mar. 1, 1942	Sept. 1, 1942
Franklin	Mar. 15, 1942	Sept. 15, 1942
Freestone	Mar. 1, 1942	Sept. 1, 1942
Frio		
Gaines	Mar. 15, 1942	Sept. 15, 1942
Galveston	Mar. 1, 1942	Sept. 1, 1942
Garza	Mar. 31, 1942	Oct. 20, 1942
Gillespie	Mar. 1, 1942	Sept. 1, 1942
Glasscock	Mar. 15, 1942	Sept. 15, 1942
Goliad	Mar. 1, 1942	Sept. 1, 1942
Gonzales		
Gray	Mar. 31, 1942	Oct. 20, 1942
Grayson	Mar. 15, 1942	Sept. 15, 1942
Gregg		
Grimes	Mar. 1, 1942	Sept. 1, 1942
Gaudalupe		
Hale	Mar. 31, 1942	Oct. 20, 1942
Hall		
Hamilton	Mar. 15, 1942	Sept. 15, 1942
Hansford	Mar. 31, 1942	Oct. 20, 1942
Hardeman		
Hardin	Mar. 1, 1942	Sept. 1, 1942
Harris		
Harrison	Mar. 15, 1942	Sept. 15, 1942
Hartley	Mar. 31, 1942	Oct. 20, 1942
Haskell		
Hays	Mar. 1, 1942	Sept. 1, 1942
Hemphill	Mar. 31, 1942	Oct. 20, 1942
Henderson	Mar. 15, 1942	Sept. 15, 1942
Hidalgo	Jan. 31, 1942	Aug. 1, 1942
Hill	Mar. 15, 1942	Sept. 15, 1942
Hockley	Mar. 31, 1942	Oct. 20, 1942
Hood	Mar. 15, 1942	Sept. 15, 1942
Hopkins		
Houston	Mar. 1, 1942	Sept. 1, 1942
Howard	Mar. 15, 1942	Sept. 15, 1942
Hudspeth	Mar. 1, 1942	Sept. 1, 1942
Hunt	Mar. 15, 1942	Sept. 15, 1942
Hutchinson	Mar. 31, 1942	Oct. 20, 1942
Irion	Mar. 15, 1942	Sept. 15, 1942
Jack		
Jackson	Mar. 1, 1942	Sept. 1, 1942
Jasper		
Jeff Davis	Mar. 1, 1942	Sept. 1, 1942
Jefferson		
Jim Hogg	Mar. 15, 1942	Sept. 15, 1942
Jim Wells		
Johnson	Mar. 15, 1942	Sept. 15, 1942
Jones		
Karnes	Mar. 1, 1942	Sept. 1, 1942
Kauffman	Mar. 15, 1942	Sept. 15, 1942
Kendall	Mar. 1, 1942	Sept. 1, 1942
Kennedy		
Kent	Mar. 31, 1942	Oct. 20, 1942
Kerr	Mar. 1, 1942	Sept. 1, 1942
Kimble		
King	Mar. 31, 1942	Oct. 20, 1942
Kinney	Mar. 1, 1942	Sept. 1, 1942
Kleberg		
Knox	Mar. 31, 1942	Oct. 20, 1942
Lamar	Mar. 15, 1942	Sept. 15, 1942
Lamb	Mar. 31, 1942	Oct. 20, 1942
Lampasas	Mar. 1, 1942	Sept. 1, 1942
LaSalle		
Lavaca	Mar. 1, 1942	Sept. 1, 1942
Lee		
Leon	Mar. 15, 1942	Sept. 15, 1942
Liberty		
Limestone	Mar. 31, 1942	Oct. 20, 1942
Lipscomb		

State	Closing dates for submis- sion of appli- cations	Maturity dates for notes
Texas—Continued.		
Live Oak	Mar. 1, 1942	Sept. 1, 1942
Llano		
Loving	Mar. 31, 1942	Oct. 20, 1942
Lubbock		
Lynn	Mar. 1, 1942	Sept. 1, 19
McCulloch		
McLennan	Mar. 15, 1942	Sept. 15, 194
McMullen		
Madison	Mar. 1, 1942	Sept. 1, 1942
Marion		
Martin	Mar. 15, 1942	Sept. 15, 194
Mason		
Matagorda	Mar. 1, 1942	Sept. 1, 1942
Maverick		
Medina	Mar. 15, 1942	Sept. 15, 1942
Menard		
Midland	Mar. 1, 1942	Sept. 1, 1942
Milam		
Mills	Mar. 15, 1942	Sept. 15, 1942
Mitchell		
Montague	Mar. 1, 1942	Sept. 1, 1942
Montgomery		
Moore	Mar. 31, 1942	Oct. 20, 1942
Morris	Mar. 15, 1942	Sept. 15, 1942
Motley	Mar. 31, 1942	Oct. 20, 1942
Nacogdoches	Mar. 1, 1942	Sept. 1, 1942
Navarro	Mar. 15, 1942	Sept. 15, 1942
Newton	Mar. 1, 1942	Sept. 1, 1942
Nolan	Mar. 15, 1942	Sept. 15, 1942
Nueces	Mar. 1, 1942	Sept. 1, 1942
Ochiltree	Mar. 31, 1942	Oct. 20, 1942
Oldham	Mar. 31, 1942	Oct. 20, 1942
Orange	Mar. 1, 1942	Sept. 1, 1942
Palo Pinto	Mar. 15, 1942	Sept. 15, 1942
Panola	Mar. 1, 1942	Sept. 1, 1942
Parker	Mar. 15, 1942	Sept. 15, 1942
Parmer	Mar. 31, 1942	Oct. 20, 1942
Pecos	Mar. 1, 1942	Sept. 1, 1942
Polk		
Potter	Mar. 31, 1942	Oct. 20, 1942
Presidio	Mar. 1, 1942	Sept. 1, 1942
Rains	Mar. 15, 1942	Sept. 15, 1942
Randall	Mar. 31, 1942	Oct. 20, 1942
Reagan	Mar. 15, 1942	Sept. 15, 1942
Real	Mar. 1, 1942	Sept. 1, 1942
Red River	Mar. 15, 1942	Sept. 15, 1942
Reeves	Mar. 1, 1942	Sept. 1, 1942
Refugio		
Roberts	Mar. 31, 1942	Oct. 20, 1942
Robertson	Mar. 1, 1942	Sept. 1, 1942
Rockwall	Mar. 15, 1942	Sept. 15, 1942
Runnels		
Rusk	Mar. 1, 1942	Sept. 1, 1942
Sabine		
San Augustine	Mar. 15, 1942	Sept. 15, 1942
San Jacinto		
San Patricio	Mar. 1, 1942	Sept. 1, 1942
San Saba		
Schleicher	Mar. 15, 1942	Sept. 15, 1942
Scurry		
Shackelford	Mar. 1, 1942	Sept. 1, 1942
Shelby		
Sherman	Mar. 31, 1942	Oct. 20, 1942
Smith	Mar. 15, 1942	Sept. 15, 1942
Somervell		
Starr	Jan. 31, 1942	Aug. 1, 1942
Stephens	Mar. 15, 1942	Sept. 15, 1942
Sterling		
Stonewall	Mar. 31, 1942	Oct. 20, 1942
Sutton	Mar. 1, 1942	Sept. 1, 1942
Swisher	Mar. 31, 1942	Oct. 20, 1942
Tarrant	Mar. 15, 1942	Sept. 15, 1942
Taylor		
Terrell	Mar. 1, 1942	Sept. 1, 1942
Terry	Mar. 31, 1942	Oct. 20, 1942
Throckmorton		
Titus	Mar. 15, 1942	Sept. 15, 1942
Tom Green		
Travis	Mar. 1, 1942	Sept. 1, 1942
Trinity		
Tyler	Mar. 15, 1942	Sept. 15, 1942
Upshur		
Upton	Mar. 1, 1942	Sept. 1, 1942
Uvalde		

State	Closing dates for submis- sion of appli- cations	Maturity dates for notes	State	Closing dates for submis- sion of appli- cations	Maturity dates for notes
Texas—Continued.			Texas—Continued.		
Val Verda.....	Mar. 1, 1942	Sept. 1, 1942	Williamson.....	} Mar. 1, 1942	Sept. 1, 1942
Van Zandt.....	Mar. 15, 1942	Sept. 15, 1942	Wilson.....		
Victoria.....			Winkler.....		
Walker.....	} Mar. 1, 1942	Sept. 1, 1942	Wise.....	} Mar. 15, 1942	Sept. 15, 1942
Waller.....			Wood.....		
Ward.....			Yoakum.....	} Mar. 31, 1942	Oct. 20, 1942
Washington.....			Young.....		
Webb.....			Zapata.....	} Mar. 1, 1942	Sept. 1, 1942
Wharton.....			Zavala.....		
Wheeler.....	} Mar. 31, 1942	Oct. 20, 1942	Virginia:		
Wichita.....			For all counties.....	Mar. 15, 1942	Oct. 20, 1942
Willbarger.....					
Willacy.....	Jan. 31, 1942	Aug. 1, 1942			

SUPPLEMENT TO
1941 LOSS ADJUSTMENT PROCEDURE
AND
ADJUSTER'S MANUAL FOR USE
IN ADJUSTING 1942 LOSSES



UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
WASHINGTON, D. C.

—
Issued February 1942

FOREWORD

The success of the Federal Crop Insurance Program will depend largely upon the manner in which adjustment and settlement of losses are made. It is the hope of the Federal Crop Insurance Corporation that adjustment and settlement of losses will be handled in such a manner that every settlement is fair and just both to the insured and to the Corporation.

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SUPPLEMENT TO 1941 LOSS ADJUSTMENT PROCEDURE AND ADJUSTER'S MANUAL FOR USE IN ADJUSTING 1942 LOSSES

SECTION I. GENERAL

In view of the fact that the procedure used in adjusting the 1941 losses under the 1941 crop insurance contracts will, to a large extent, be applicable for adjusting losses incurred in the 1942 Crop Insurance Program, it has been deemed advisable to issue only those items representing additions or alterations of the 1941 procedure, and thus to make fullest use possible of the 1941 procedure in adjusting 1942 losses.

Form FCI-160-W required an inspection by the adjuster before other small grain was seeded with the wheat crop; however, in certain areas the plan of granting blanket authorizations, when conditions so permitted, was used. This method was very successful and, therefore, inspection of an insured crop prior to the seeding of other small grains therein will be required only in the discretion of the county committee. In other words, if the county committee determines that conditions generally warrant the granting of permission to seed other small grain with wheat, it will not be necessary to make individual inspections and grant specific authorizations.

In view of the fact that some of the inspections called for by the 1941 Loss Adjustment Procedure, in some cases serve no useful purpose, it shall be the duty of the county committee to determine those cases in which an inspection is necessary. It is believed that such inspection should be limited to those cases which would normally require an appraisal of the production on the farm. Some of these instances are: Those cases where other use is to be made of the land or crop, where all or a portion of the wheat acreage was not threshed but was otherwise harvested as grain, or where there has been a total or substantially total loss of the insured wheat crop.

Attention is also directed to the fact that procedure has heretofore stated that, if an appraisal is made on the land or crop which is used other than for harvest as grain, and such appraisal bears a relatively high relationship to the adjusted average yield, permission should not be given to put the land or crop to other use. In some areas this is contrary to general farming practices; therefore, the county committee is authorized to grant permission to put such crops to other use in those instances in which the same practice is being followed on other farms in the community which were not insured.

Attention is also directed to the fact that heretofore the procedure has required that in making appraisals of a growing wheat crop, the appraisals should take into consideration the salvage value of the crop. In order to avoid inequities which arise out of this practice, the county committee is authorized to count such appraisals as production only in those instances in which the wheat crop is so salvaged, or, in those instances in which it is a general practice in the community on uninsured farms, as well as insured farms, to salvage such wheat crops.

It has been ascertained that in some instances an insured crop has been damaged to the extent that a loss would be payable under the insurance contract but the insured has not made claim for indemnity. When such cases come to the attention of the county committee, in order to make a record of the production in such cases for possible use in settling such claims in the future, the county committee should have a Form FCI-267-W prepared (and a Form FCI-266-W, when necessary) by inserting the necessary information in the heading and parts I, II, and IV of such form. Forms prepared in this manner should not be signed by the adjuster and the county com-

mittee but in the space provided for the signature of the county committee there should be inserted the remark "For record purposes only." These forms should be distributed in the ordinary manner. A narrative report of the circumstances surrounding the case and outlining the method used in determining the production and the reason the insured failed to make claim shall be submitted in each such case.

When determining the quantity of wheat in store on the farm, extreme care should be exercised as the determination so made may be used by the Commodity Credit Corporation as well as for crop insurance purposes. It is, therefore, suggested that measurements of the depth of wheat in bins be marked on the sides of the bins with a chalk mark, in order that later variations in the quantity of wheat may be readily ascertained. This information should be used whenever possible in connection with the Commodity Credit Program and, therefore, should be made available to the persons in the county office who handle such program. In any instance in which a separate determination is made for Commodity Credit Corporation purposes, and such determination is different than that used for insurance purposes, a full explanation should be submitted to the state office.

SECTION II. PERSONS TO BE INDEMNIFIED

A. Filing of Form FCI-267-W.

Payment of indemnities will be made only upon the filing of Form FCI-267-W by the person or persons having an insured interest in a wheat crop at the time of loss.

In the event of loss, a separate Form FCI-267-W should be filed by each person having an insured interest in a wheat crop on a farm or a portion thereof. A separate Form FCI-267-W should also be filed for each portion of the farm in which the persons having the remaining interest in the wheat crop are different.

In making the determination of the interest existing at the time of loss, it must be borne in mind that an interest existing by virtue of a

debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or any other legal process shall not be considered an interest in an insured crop. Any such cases as may be considered doubtful by the county committee should be handled in accordance with General Procedure 4.

B. Time of Loss.

Loss, with respect to the wheat crop on any farm covered by the insurance contract, shall be deemed to have occurred at the time of the completion of threshing of such crop (unless combined, field-sacked, and remaining in the field, in which event the loss shall be deemed to have occurred 120 hours thereafter) or October 31, 1942, whichever occurs first, unless the Corporation determines that total or substantially total destruction of the wheat crop occurred earlier, in which event the loss shall be deemed to have occurred on the date so determined by the Corporation.

In the event a loss is claimed with respect to any farm covered by an insurance contract, the insured shall submit to the office of the county committee a statement in proof of loss not later than 30 days after threshing, but in no event later than November 15, 1942.

In view of the fact that indemnities are to be paid to the persons having an insured interest in the wheat crop *at the time of loss*, this time of loss should not be confused with the approximate date of damage. In no instance should the time of loss be deemed to be before the completion of threshing or October 31, 1942, whichever occurs first, so long as there is any wheat crop remaining on the farm.

C. Separate Forms FCI-267-W.

In the event of a loss on any farm reported on Form FCI-219-W, a separate Form FCI-267-W shall be prepared:

1. For each person having an insured interest in the wheat crop.
2. For each acreage in which the persons having the remaining interest in the wheat crop are different.

EXAMPLE 1.

Landlord A, at the time of loss, has a 50-percent interest in 50 acres of wheat and a 60-percent interest in 50 acres of wheat on the same farm. B has the tenant's interest in these two tracts. One Form FCI-267-W should be filed by A for the entire indemnity due him on both tracts and one Form FCI-267-W should be filed by B for the entire indemnity due him on the two tracts.

EXAMPLE 2.

Landlord A, at the time of loss, has a 100-percent interest in 50 acres of wheat and a 50-percent interest in 50 acres of wheat on the same farm. B has the tenant's interest in 50 acres. Two Forms FCI-267-W should be submitted by A and one Form FCI-267-W should be filed by B and indemnities be determined separately for the two tracts.

SECTION III. PAYMENT ON NOTE

FCI-Regulations 201-W, "1942 Wheat Crop Insurance Regulations," provide that where a loan is secured on the basis of a certificate of indemnity prior to the time of maturity of the note executed in payment of premium, that the note becomes due and payable on the date the application for the loan is presented to the county office. In view of this fact, it is necessary that in those cases in which application for a loan is received by the county office on the basis of a certificate of indemnity, that the county committee determine the cash equivalent of the note on the basis of the prices effective for the date the application for the loan was received in the county office, and ascertain that the amount of the cash equivalent of such note be incorporated in the loan documents in such a manner that the said amount will be paid to the Federal Crop Insurance Corporation from the proceeds of the loan. This should be accomplished by ascertaining that the loan documents provide for the payment of such amount from the proceeds of any

available loan to the "Treasurer of the United States," c/o the Federal Crop Insurance Corporation Branch Office. In such instances Form FCI-213-W need not be issued to the insured.

SECTION IV. PREPARATION AND EXECUTION OF FORMS

In general, the instructions for the preparation and execution of forms as outlined in the 1941 Loss Adjustment Procedure and Adjuster's Manual will apply to all forms except Form FCI-267-W; however, certain minor additions have been made as outlined below.

A. Preparation of Form FCI-263-W.

In addition to the information requested on the inspection report as outlined in Form FCI-160-W, space has been provided for the insertion of the 1942 wheat listing sheet farm number. An addition has also been made to the reasons for making the inspection, as follows:

The insured wishes to dispose of the portion of the crop in excess of the maximum insurable acreage.

B. Form FCI-266-W.

Space has been provided on this form for the insertion of the 1942 wheat listing sheet farm number.

C. Form FCI-267-W.

Form FCI-267-W shall not be forwarded to the state office unless Form FCI-219-W, "Notice of Seeding," covering the insured's interest in the wheat crop on every farm in the county in which such insured has an interest, has previously been forwarded to the state office or is being forwarded with the Form FCI-267-W.

The information to be inserted in the heading of this form shall be that called for in Form FCI-160-W with the exception that the 1942 wheat listing sheet farm number shall be inserted in the space provided therefor. The name of the insured to be inserted shall be the name of the person having the insured interest

at the time of loss. The "Insured's Interest In Crop" shall be that existing at the time of loss.

The information to be inserted in parts I and II of the Form FCI-267-W shall be ascertained in accordance with the instructions appearing on the reverse side of the form.

The insured production to be entered in item 10 shall be that shown on Form FCI-219-W unless there has been a transfer of interest or a transfer of acreage, or a combination of the two in the insured crop as shown on Form FCI-219-W after the time of the beginning of the seeding of the wheat crop and before the time of loss. In such instances all Forms FCI-267-W relating to any one Form FCI-219-W should be submitted to the state office at the same time. In these instances it will be necessary to determine the insured production for each interest or each acreage by multiplying the acreage times the average yield times the insured percentage and the insured's interest in the crop. The entries to be made in items 11 and 12 are self-explanatory.

The entries to be made in part IV of this form will be the same as those called for in Form FCI-160-W the only exceptions being that the individual item numbers have been changed from those appearing on Form FCI-160-W.

The amount of any unliquidated collateral assignments should be entered in item 16 prior to the time that the signature of the insured is obtained. The date of such signature should also be entered. In items 17, 18, and 19 the signatures and dates of such signatures of the adjuster, county committee, and the state committee, respectively, should be entered. Attention is directed to the fact that the certification of the county committee covers the fact that the signature of the insured appearing in item 16 was affixed by the insured who has the stated interest in the wheat crop at the time of loss.

In those instances in which the insured is indebted to the Agricultural Adjustment Administration for an unliquidated 1939, 1940, or

1941 ACP advance for payment of crop insurance premiums which may be properly deducted from an indemnity payment, the following notation should be inserted on Form FCI-267-W over the signature of the county committee, "Indebted to A. A. A. in the amount of \$..... because of"

D. Form FCI-268-W.

The instructions contained in Form FCI-160-W for the completion of Form FCI-168-W shall apply to this form with the exception that there shall be inserted in the space provided therefor the 1942 wheat listing sheet farm number.

In addition it will be noted that the item numbers on this form have been revised to conform to the item numbers on Form FCI-267-W, and this change will have to be taken into consideration in preparing this form.

E. Form FCI-269-W.

The entries to be made on this form shall be the same as that called for in Form FCI-160-W to be made on the Form FCI-169-W with the exception that there shall be inserted in the applicable column the 1942 listing sheet farm number.

F. Supplemental Forms FCI-267-W.

The instructions contained in Form FCI-160-W shall apply for the 1942 crop year with respect to supplemental claims except that no supplemental claims for less than five bushels of wheat should be submitted as they will not be honored and paid.

SECTION V. CERTIFICATES OF INDEMNITY

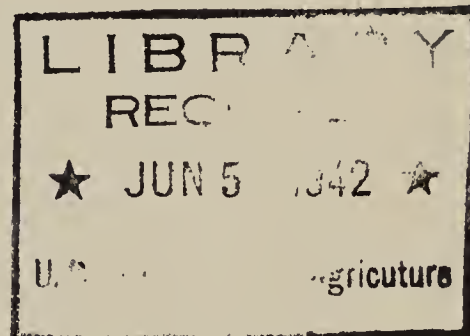
All indemnities will be paid by the issuance of Form FCI-274-W, "Certificate of Indemnity." Detailed instructions as to the method of securing any benefits made available by the Commodity Credit Corporation to the holders of such certificates will be issued by that Corporation when its 1942 Wheat Program is formulated.

The use of the certificate to secure the cash equivalent of the indemnity shall be as outlined in Form FCI-160-W, "Loss Adjustment Procedure and Adjuster's Manual." However, attention is called to the fact that the expiration

date of the certificate has been changed from 15 days after the last date for securing a loan from the Commodity Credit Corporation to 15 days after the maturity date of loans made by Commodity Credit Corporation.

SECTIONS XIV AND XV OF THE COUNTY APPLICATION PROCEDURE

COTTON CROP INSURANCE



UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
Washington, D. C.

Issued May 1942

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SECTIONS XIV AND XV OF THE COUNTY APPLICATION PROCEDURE

SECTION XIV. ACREAGE REPORT

A. Form FCI-219, Acreage Report.

Form FCI-219 is the form to be used to indicate the acreage planted to cotton on each insurance unit and the practices applicable to such planted acreage. As the total insured production will be based on Form FCI-219, a Form FCI-219 shall be prepared by the county committee for each insurance unit showing the insured's interest in the cotton crop in which the insured has an interest at the time of planting. The insured's copy of Form FCI-219 shall be forwarded to the office of the state committee for verification, and all corrections will be made on all copies of such Form FCI-219, and the insured's copy will be returned to the office of the county committee for transmittal to the insured.

It shall be the responsibility of the county committee to prepare a Form FCI-219 for each insured's interest in every insurance unit in the county in which such insured has an interest in the cotton crop at the time of the beginning of the planting of the cotton crop on such insurance unit.

Before Form FCI-219 is prepared by the county committee, notification to the insured of the measured cotton acreage should be issued in accordance with the instructions issued by the Agricultural Adjustment Agency.

B. Form FCI-222, Acreage Reports—Transmittal Sheet.

Forms FCI-219, together with the related Forms FCI-222, should be submitted to the State office as promptly as possible after the Agricultural Adjustment Agency has determined the acreage planted to cotton and in all cases *at least 3 weeks* before the maturity date

of the notes for the particular county, in order that such forms may be examined by the State committee and routed to the branch office of the Corporation before such maturity date. Form FCI-222, together with Forms FCI-219, shall be submitted to the State office for verification. The State committee will forward the necessary copies to the branch office of the Corporation.

When the measurement of the planted acreage is completed, every application number shown on Form FCI-215 shall be listed on Form FCI-222 in the proper numerical order by application number, and under each application number the insurance unit covered by the particular application shall be listed in numerical order by the farm serial number, and under each farm serial number there shall be listed the units covered by the applicable Form FCI-212A-C. In those cases where Form FCI-219 is delayed for any reason, the crop insurance application number should be indicated in column A in the proper numerical order, the farm serial number in column B, and the name of the insured indicated in column C, but the information in columns D, E, F, G, H, I, J, and K shall not be inserted. The word "Delayed" shall be inserted in column D of Form FCI-222 opposite the appropriate farm serial number.

However, as an indemnity claim cannot be approved for payment by the branch office prior to the receipt of the related Forms FCI-219, in those cases where Forms FCI-219 have not previously been transmitted to the State office, the related Forms FCI-219 covering the insured's interest in every insurance unit in the county in which such insured has an interest in the cotton crop at the beginning of the planting of the cotton crop, together with Forms FCI-222, shall accompany Form FCI-267-C, Statement in Proof of Loss, to the State office.

C. Preparation of Form FCI-219.

The original and three copies of Form FCI-219 shall be prepared in the county office as follows:

1.

- (a) Enter the State and county code and application number. These numbers should agree with those shown on Form FCI-212-C.
- (b) Enter the 1942 farm serial number, as shown in column 1 of Form FCI-203-C.
- (c) Enter the application numbers of other insurance contracts covering another insured's interest, if any, on this same farm at the time of the beginning of the planting of the cotton crop.
- (d) Enter the individual tract identification where insurance covers a unit less than a farm.

2. Type or print the name and address of the insured.

- (a) This name should agree with the name appearing in paragraph 8 of a Form FCI-212-C or in column B of a Form FCI-212A-C properly executed by the insured. It is to be noted that transfers of interest or transfers of acreage occurring after the beginning of the planting of the cotton crop will be reported by the preparation of Form FCI-221.

It is important that the current address of the insured be correctly shown on Form FCI-219 as refunds, if any, will be forwarded to the address so shown.

3. Indicate by check mark (✓) in the spaces provided, the relationship of the insured to the farm, that is, whether landlord, tenant, sharecropper, or owner-operator.

4. In counties where yields have been established for farms, which will be applicable only if certain practices are followed and if such practices are not followed an adjustment of total production would need to be made under the 1942 Cotton Crop Insurance Regulations, there shall be entered in column A the word(s)

which will distinguish such practice as "Irrigated," "Fertilizer," etc.

No entries other than those specified above need be made in column A.

5. Enter in column B the acreage planted to cotton on the insurance unit.

- (a) The entry in this column should represent the acreage classified by the Agricultural Adjustment Agency to have been "planted to cotton."
- (b) Where different farming practices are being followed, enter the number of acres planted under each farming practice opposite the practice as listed in column A.
- (c) Where more than one interest is shown in column E, separate acreages shall be inserted in column B. This applies particularly in those cases where a landlord operates a portion of the farm and the other portion is operated by tenants. In such cases the landlord will have the entire interest in one portion of the farm and a partial interest in the portion operated by the tenants.

6. Enter in column C the maximum insurable acreage, only in those cases where the total acres planted, as shown in column B, exceed the maximum insurable acreage as determined in accordance with FCI-Regulations 201-C. For units less than a farm, the total acreage planted on all insurance units within the farm must not exceed the maximum insurable acreage for the farm, and if the acreage planted does exceed such maximum insurable acreage, an adjustment shall be made in accordance with case 6 of section XV. (See case 6 of section XV of this procedure.)

No entry shall appear in this column where the acres planted are not in excess of the maximum insurable acreage.

7. Enter in column D the lint cotton insurance per acre for the insurance unit as shown in column 16 of Form FCI-203-C.

- (a) For those farms on which special practices are recognized, the lint cotton insurance per acre as approved by the Corporation for each farming practice

being followed on the insurance unit shall be entered in column D on the line on which the farming practice is shown.

- (b) Where the applicant has appealed his lint cotton insurance per acre and such appeal has been properly approved, enter the adjusted lint cotton insurance per acre as shown to have been approved by the appeal. In such cases insert the following notation in part I of Form FCI-219: "Appealed lint cotton insurance per acre." In those cases in which appeals have been submitted to the state office, but have not as yet been approved nor rejected, the Forms FCI-219 prepared in connection therewith shall be handled as delayed cases until the county office is advised of the action taken on the appeals.

8. Enter in column E the insured's interest in the cotton crop existing at the time of the beginning of the planting of the cotton crop.

9. Enter in column F the product of the total acres planted or the maximum insurable acreage, whichever is applicable, the lint cotton insurance per acre for the insurance unit, and the insured's interest in the cotton crop (B or CXDXE).

In making this computation, round to whole pounds after each computation as follows: Multiply B or C times D and round to whole pounds; multiply this result by E and round to whole pounds to obtain the entry in column F.

If more than one farming practice is shown in column A or if more than one interest is shown in column E, compute the insured production for each practice or interest as outlined above. The total of the figures appearing in column F should be entered at the bottom of this column.

10. If it can be definitely determined that the insurance unit for which the Form FCI-219 is being prepared is the one covered by the Form FCI-212-C or Form FCI-212A-C, the premium rate shown on Form FCI-212-C or Form FCI-212A-C is the premium rate that

shall be entered in column G, irrespective of the number of insurance units on the farm at the beginning of the time of planting. If a division is made because of a change in ownership or operation after the closing date but before the beginning of the planting of the cotton crop, the lint cotton insurance per acre and premium rate per acre established for the farm shall be applicable to tracts resulting from the division. In those cases where the division results in four or more insurance units the instructions set forth in section II of Form FCI-211-C shall be followed.

In those cases of insurance units less than a farm, not listed on Form FCI-212-C or Form FCI-212A-C, the premium rate to be entered in column G shall be established in accordance with the method outlined in subsection G of section II of Form FCI-211-C, special care being used to ascertain that the increase factor is the one applicable for the actual number of insurance units on the farm at the time of planting. In such cases the number of insurance units on the farm shall be entered in the block following the word "sharecropper."

Where the applicant has appealed his premium rate and such appeal *has been* properly approved, enter the premium rate as shown to have been approved by the appeal. In such cases, insert the following notation in part I of Form FCI-219: "Appealed premium rate approved."

In those cases in which appeals have been submitted to the state office, but *have not* as yet been approved nor rejected, the Forms FCI-219 prepared in connection therewith shall be handled as delayed cases until the county office is advised of the action taken on the appeals.

For those farms on which special practices are recognized, the premium rate per acre for each farming practice being followed on the insurance unit shall be entered in column G on the line on which the farming practice is shown.

11. Enter in column H the product of the total acres planted or the maximum insurable acreage, whichever is applicable, the premium

rate per acre, and the insured's interest in the cotton crop (B or CXGXE).

- (a) In making this computation, multiply the entry in column B or C by the entry in column G and round the result to whole pounds; multiply the result by column E and round the result to whole pounds.
- (b) If more than one farming practice is shown in column A or if more than one interest is shown in column E, compute the premium for each special practice or interest as outlined above. The total of all the entries in column H shall be entered at the bottom of this column.
- (c) If the premium rate per acre for any unit or farming practice as shown in column G is less than the minimum, compute also what the total premium would be on the basis of the minimum rate for the total of the acreages in column B, or C, whichever is applicable.

12. Part II. Certificate of County Committee.

Prior to certification, the county committee shall determine that the acreage in column B of Form FCI-219 is not in excess of the maximum insurable acreage established for the farm, covered by such Form FCI-219, in accordance with the provisions of section 36 (o) of FCI-Regulations 201-C.

For units less than a farm, the county committee shall determine that the total acreage planted does not exceed the maximum insurable acreage, or that the necessary adjustment has been made in accordance with case 6 of section XV.

In those cases where it is determined by the county committee, prior to certification, that the acreage as shown in column B *does exceed* the maximum insurable acreage, the entry in column C shall be the same percentage of the acreage planted as the maximum insurable acreage for such farm is of the total acreage planted on such farm. (See case 6 of section XV of this procedure.)

A member of the county committee shall certify the entries shown on Form FCI-219 by

executing part II, "Certification of County Committee."

D. Preparation of Form FCI-222.

It is essential that Forms FCI-219 be completed and transmitted to the respective State offices as soon as possible after the planting of cotton in a particular county in order that prompt adjustment of the Corporation's records may be effected.

Form FCI-222, together with the related Forms FCI-219, should be submitted to the State office *at least 3 weeks* before the maturity date of the notes for the particular county in order that such forms may be examined by the State committee and routed to the branch office of the Corporation before such maturity date.

Form FCI-222 shall accompany the related Forms FCI-219 when they are submitted to the State office for forwarding to the branch offices of the Corporation. Every application number for the Forms FCI-212-C, as shown on Form FCI-215, shall be listed on Form FCI-222 in the proper numerical order by application number, and under each application number all the insurance units in which the insured, executing Form FCI-212-C or Form FCI-212A-C, has an interest covered by the particular application, shall be listed in numerical order by the *farm serial number*, and under the farm serial number, the units less than a farm shown on the applicable Form FCI-212A-C, even though Form FCI-219 is delayed or the Form FCI-212-C was recommended for rejection by the county committee.

Where applications have been recommended for cancelation or rejection by the county committee, the related Forms FCI-219 shall be listed as "Delayed" cases until written notification of cancelation or rejection is received from the Corporation. If written notification of cancelation or rejection is not received by the county office at the time that the final transmittal of Form FCI-222 is prepared, the application number, the name of the insured or applicant, and a notation, "Recommended for Cancelation," or "Recommended for Rejection," shall be placed on Form FCI-222. (Where an application number was not used, a notation

such as "Number not Assigned" shall be placed on Form FCI-222.)

Where cancelation or rejection of applications has been approved by the Corporation, it will not be necessary to prepare a Form FCI-219 or to insert any information on the Form FCI-222 other than the notation "Canceled" or "Rejected."

This notation shall not be placed on Form FCI-222 by the county or State committee unless or until written notification of cancelation or rejection is received from the Corporation.

Where Forms FCI-219 are being delayed in the county office, it will be necessary to indicate only the application number, the farm serial number, and the name of the insured with the word "Delayed" inserted in column D opposite the appropriate application number.

The county committee shall prepare the original and two copies of Form FCI-222, inserting the following information:

1. The State and county code.
2. The transmittal sheet number. (Each transmittal sheet shall be numbered consecutively beginning with "1" for the first transmittal sheet (Form FCI-222) for each county.)
3. The date of preparation of Form FCI-222.
4. In column A, the application numbers in their proper numerical order.
 - (a) In those instances where an applicant signs two Forms FCI-212-C and such forms are assigned different application numbers, both numbers shall be listed in column A. The entry opposite one of the numbers shall be "Duplicate, See —" (Quote other application number)."
 - (b) In those cases where the insured has an interest in two or more insurance units, the application number shall be entered only once for such insured.
5. In column B, the 1942 farm serial numbers, as shown in the heading of Form FCI-219, in their proper numerical order.
6. In column C, the name of the insured as shown on Form FCI-219.

In those cases where the insured has an interest in two or more insurance

units, the name of the insured shall be entered *only once*.

Where Form FCI-219 is delayed for any reason, the crop insurance application number should be indicated in column A in the proper numerical order, the farm serial number in column B, and the name of the insured indicated in column C, but the information in columns D, E, F, G, H, I, J, and K, shall not be inserted, but the word "Delayed" shall be inserted in column D opposite the appropriate farm serial number.

It is the responsibility of the county committee to determine that Forms FCI-219 are prepared for those insurance units on which no cotton is planted as well as in those cases where the applicant listed on Forms FCI-212-C or Form FCI-212A-C had no interest in the cotton crop planted on the insurance unit at the time of the beginning of the planting of the cotton crop.

7. In column D, the acreage used for computation of premium as shown in column B or column C of Form FCI-219.

The maximum insurable acreage will be used only in those cases where the acreage planted to cotton exceeds the maximum insurable acreage.

8. In column E, the insured's interest in the cotton crop as shown in column E of Form FCI-219.

9. In column F, the insured production as shown in column F of Form FCI-219.

10. In column G, the amount of the premium as shown in column H of Form FCI-219.

11. In column H, the amount of the payment on the cotton note.

Where the payment was made by cash, check, money order, bank draft, or warehouse receipt, enter in column H the number of pounds as shown in paragraph 3 of Form FCI-213.

12. The entry in column I will be inserted at the maturity of the note in accordance with subsection E of this procedure.

13. It will not be necessary to insert the entry in column J at the time of the preparation of Form FCI-222. Such entry shall be

made in accordance with subsection F of this procedure.

14. Total columns F, G, and H for each Form FCI-222. These totals shall not be carried forward from one Form FCI-222 to the next succeeding Form FCI-222.

15. A member of the county committee shall indicate his approval of Form FCI-222 by signing in the space provided.

Care should be exercised in preparing Form FCI-222 to provide legible copies.

E. Cash Equivalent of Note.

When the county office receives a copy of Form FCI-223, "Record of Note Transactions," from a branch office of the Corporation, the entry in column I may be inserted on the county office copy of Form FCI-222.

F. Computation of Net Acreage.

Provision has been made on Form FCI-222 for an additional column, "Net Acreage," which is not to be completed at the time of the transmittal of such form to the State office.

At such time as it is convenient, the county committee may, if the State committee so directs, enter the net acreage on the county office copy of Form FCI-222. The net acreage shall be obtained by multiplying the acreage used for computation of premium as shown in column D of Form FCI-222 by the insured's interest in the cotton crop as shown in column E of Form FCI-222.

It will not be necessary for the results of these computations, prepared after Form FCI-222 has been submitted to the State office, to be transmitted to the State office or to the branch office of the Corporation. However, the results should be filed in the office of the county committee in order that they may be available for future reference.

G. Transmittal of Delayed Forms FCI-219.

Transmittals listing the completed Forms FCI-219 which were marked "Delayed" on the original transmittal shall be prepared in the county office in the following manner:

1. Form FCI-222 shall be assigned the next succeeding transmittal sheet number and the

word "Supplemental" shall be placed immediately preceding the transmittal sheet number.

It will not be necessary to relist all the application numbers and farm serial numbers appearing on the original Form FCI-222; it will be necessary to list *only* those previously delayed or suspended Forms FCI-219 which are now being submitted.

The transmittal sheet number of the original Form FCI-222 listing the "Delayed" Form FCI-219 shall be inserted in column K, "Remarks," of the supplemental Form FCI-222.

It will be necessary to list on the supplemental Form FCI-222 only the Forms FCI-219 being transmitted at that time to the State office.

2. The completed or corrected Forms FCI-219 shall be listed on Form FCI-222 in their proper numerical order showing all the information required by this procedure. The final transmittal, Form FCI-222, shall include all Forms FCI-219 which have not been completely executed, and the information shown on Form FCI-203-C and the acreage to be used for computation of premium, which shall be the maximum insurable acreage, shall be listed on Form FCI-222. This completed transmittal shall also bear the notation "Final" immediately preceding the transmittal sheet number to indicate that it is the final supplemental transmittal.

In those cases where no cotton has been planted on an insurance unit listed on Form FCI-212-C or on Form FCI-212A-C, or the applicant had no interest in the cotton crop at the beginning of the planting of the cotton crop on an insurance unit(s) listed on Form FCI-212-C or Form FCI-212A-C, refunds shall not be made unless the related Forms FCI-219 for all insurance units shown on Form FCI-212-C, or Form FCI-212A-C for the insured have been signed by the county committeeman.

If no cotton has been planted and Form FCI-219 has not been signed by a member of the county committee, such cases shall be considered as delayed until such Forms FCI-219 are completed or until the final transmittal of Form FCI-222 is prepared listing all incomplete Forms FCI-219.

H. Transmittal of Forms FCI-219 With the Related Forms FCI-267-C.

In those cases where it is necessary for the county committee to transmit a few Forms FCI-219 to the State office, because of the submission of Forms FCI-267-C, Statement in Proof of Loss, prior to the completion of the measurement of the cotton acreage in the county, it will be necessary to list on Form FCI-222 only those Forms FCI-219 that are being forwarded with the related Forms FCI-267-C.

It is to be noted that where Form FCI-267-C has been submitted, the county committee shall transmit to the state office all Forms FCI-219 covering the insured's interest in every insurance unit in the county in which such insured has an interest in the cotton crop at the time of the beginning of the planting of the cotton crop, together with the related Form FCI-222 and Form FCI-267-C.

At the time that all application numbers and all farm serial numbers are listed on Form FCI-222, a notation should be inserted on Form FCI-222, opposite the name of the insured for the Form FCI-219 previously transmitted with the related Form FCI-267-C, as follows:

Form FCI-219 previously transmitted with Form FCI-267-C. See Form FCI-222, No. —.

It will not be necessary to relist the balance of the information.

Form FCI-222 shall be prepared and numbered in accordance with the instructions outlined in subsection D of this procedure.

I. Revision of Form FCI-219 or Form FCI-222.

If, after Form FCI-219 and the related Form FCI-222 have been transmitted to the State office, it is necessary to make any changes in part I of Form FCI-219, such changes should be accomplished by the preparation of a revised Form FCI-219, or by Form FCI-2,

Agreement, and such revised Form FCI-219 shall be listed on Form FCI-222 in accordance with the instructions outlined in paragraph G above. Forms FCI-2 prepared to correct Forms FCI-219 shall be listed on Form FCI-222 in accordance with the instructions outlined in paragraph G above, except that the words "Form FCI-2" shall be inserted in the space provided for transmittal sheet number. However, if a material change is to be made only on Form FCI-222, then a revision of that form should be accomplished by relisting only those Forms FCI-219 that were originally listed on the particular sheet of Form FCI-222 that is to be revised, and by inserting the word "revised" and the transmittal sheet number of the original Form FCI-222 in the space provided for transmittal sheet number.

In these cases a notation shall be placed on the revised Form FCI-219, Form FCI-2, or Form FCI-222, indicating the reasons for making the corrections.

Every effort should be made to reduce the number or revisions of Form FCI-219 or Form FCI-222 in order to avoid any delay in handling the work in connection with the acreage reports, and also in order that indemnity payments might be made as quickly as possible.

J. Distribution of Forms.

In transmitting Forms FCI-219 and Forms FCI-222 to the State office, the county office copy of each of these forms should be retained in the county office, but the remaining copies and the carbons should remain intact when they are transmitted, in order that all changes made on the original of each of these forms might be reflected on all the remaining copies.

1. Form FCI-219, Acreage Report.

To the State office (Do not separate or remove carbons) :

Original (white)—to be transmitted by the State office to the branch office with the related Form FCI-222.

Copy (yellow)—to be returned by the State office to the county office for delivery to the insured.

Copy (green)—to be filed in the State office.

Retained in the county office:

Copy (pink)—After the insured's copy of Form FCI-219 has been returned by the State office, the county committee shall examine the form for corrections, and the corrections, if any, should be made on the county office copy of Form FCI-219.

2. Form FCI-222, Acreage Reports—Transmittal Sheet.

To the State office (Do not separate or remove carbons):

Original (white)—to be transmitted by the State office to the branch office.

Copy (green)—to be filed in the State office.

Retained in the county office:

Copy (pink).

SECTION XV. WIDELY VARYING TRACTS AND SPECIAL CASES: COMBINATIONS, FRACTIONAL PARTS OF THE FARM (SHARECROPPER OR SHARE TENANT UNITS, FIELD-RENTED TRACTS, DIVISIONS), IRRIGATED AND NONIRRIGATED LAND, PLANTED ACREAGE EXCEEDS MAXIMUM INSURABLE ACREAGE, AND OTHER UNUSUAL CASES

WIDELY VARYING TRACTS

In those instances in which areas of a farm listed on Form FCI-203-C vary widely from the remainder of the farm because of productivity, soil type, topography, or risk of loss, separate lint cotton insurance per acre and premium rates should have been established on the application for each such tract.

Owner, Landlord, or Operator.—Since these areas are considered as one insurance unit for purposes of the cotton insurance program, one Form FCI-219 shall be prepared showing all such areas on the farm.

The entries to be made in column B of Form FCI-219 shall be the acreage determined to have

been planted to cotton on each separately listed area on the Form FCI-219.

No entries should be made in column C of Form FCI-219 unless it is determined that the total of the acreage planted to cotton on the separate areas listed on Form FCI-219 is in excess of the maximum insurable acreage for the entire farm, in which case the entries in column C shall be determined in accordance with the method outlined under case 6 of this section of the procedure.

Individual Producers on Insurance Units Less Than a Farm.—In this case the Forms FCI-219 for tenants and sharecroppers should be prepared in the regular manner, that is, Form FCI-219 shall be prepared covering the particular producer unit which the tenant or sharecropper is operating. The entry to be made in column B shall be the acreage determined to have been planted to cotton on such unit.

No entries should be made in column C of Form FCI-219 unless it is determined that the total of the acreage planted to cotton on all individual producer units (whether covered by insurance or not) is in excess of the maximum insurable acreage for the entire farm in which case the entry in column C shall be determined in accordance with the method outlined in case 6 of this section of the procedure.

SPECIAL CASES

CASE 1. COMBINATIONS.

A. Where Two or More Farms Listed Separately on Form FCI-203-C Have Been Combined into One Farm.

Owner, Landlord, or Operator.—In the event two or more farms are listed separately on Form FCI-203-C because such farms owned or operated by different persons have been combined under one ownership and one operation, a separate Form FCI-219 shall be prepared for each individual farm. The acreage to be entered in column B of Form FCI-219 shall be the acreage determined to have been planted to cotton on the individual farm for which the Form FCI-219 is prepared.

No entry should be made in column C of Form FCI-219 unless it is determined that the total

acreage planted to cotton on the farms that have been combined into one farm is in excess of the maximum insurable acreage for the combination, in which case the entry to be made in column C of Form FCI-219 shall be determined in accordance with the method outlined in case 6 of this section of the procedure.

Individual Producers on Insurance Units Less Than a Farm.—Forms FCI-219 will be prepared for the individual producer units in the regular manner. No entry shall be made in column C unless the total acreage planted on the farm exceeds the maximum insurable acreage. (See case 6 of this section.)

B. Where a Producer Has Applied for Insurance on an Insurance Unit Less Than a Farm and at Planting Such Producer Also Undertakes the Operation of Another Unit on the Same Farm.

In such cases only one Form FCI-219 will be prepared for the units being operated by the same producer.

In the event the two tracts vary widely in productivity, soil type, topography, or risk of loss, they should be handled in the manner set forth above under "Widely Varying Tracts," which means that at this time it will be necessary to establish a lint cotton insurance per acre and premium rate per acre for the additional tract if such figures have not been established. In such case the figures will be determined in accordance with the method set forth in section II of this procedure. If the tracts are not widely varying the case should be handled in the manner set forth below. An illustration of such a case would be:

A tenant makes application for insurance on tract C, an insurance unit less than a farm for which the lint cotton insurance per acre and premium rate per acre has been established, and at the beginning of planting the same tenant also undertakes the operation of tract D, a unit on the same farm.

In this case the area covered by tracts C and D should be considered as one insurance unit and therefore it will be necessary to establish a

lint cotton insurance per acre and premium rate per acre applicable to such area.

Should the two tracts comprise the entire farm the lint cotton insurance per acre and the premium rate per acre shown on Form FCI-203-C should be used.

If tracts C and D do not comprise the entire farm it will be necessary to establish a lint cotton insurance per acre and premium rate per acre applicable to the area covered by C and D. The lint cotton insurance per acre and premium rate per acre applicable to such area shall be appraised in accordance with section II of the procedure. In making such appraisal, consideration should also be given to the lint cotton insurance per acre and premium rates per acre previously established for tract C and for tract D if such figures have been established for tract D.

In view of the fact that the combination of tracts C and D will not involve widely varying tracts it is expected that the lint cotton insurance per acre and premium rate per acre established for the area covered by C and D will not materially deviate from the lint cotton insurance per acre and premium rate per acre previously established for tract C (or for tract D in the event figures were established for tract D). Accordingly, material deviations in these cases shall be fully explained in an accompanying memorandum. The entry in column B shall be the acreage determined to have been planted to cotton on the particular insurance unit.

No entry should be made in column C of Form FCI-219 unless it is determined that the total of the acreage planted to cotton on all individual producer units (whether covered by insurance or not) is in excess of the maximum insurable acreage for the entire farm in which case the entry in column C shall be determined in accordance with the method outlined in case 6 of this section of the procedure.

Revisions effected with respect to the lint cotton insurance per acre and premium rate per acre in accordance with the above shall not be used as a basis for revising or adjusting the lint cotton insurance per acre or premium rate per acre previously established for *other* insurance units of the farm.

CASE 2. WHERE TWO OR MORE FARMS OR TRACTS UNDER DIFFERENT OWNERSHIP ARE COMBINED UNDER ONE OPERATION IN ACCORDANCE WITH THE PROCEDURE RELATIVE TO THE AGRICULTURAL CONSERVATION PROGRAM.

Owner, Landlord, or Operator.—In such cases a separate Form FCI-219 shall be prepared for each insured farm or tract included in the combination. The entries to be made in columns B and C of the Form FCI-219 shall be determined in accordance with the method outlined in case 6 of this section of the procedure.

Individual Producers on Insurance Units Less Than a Farm.—Forms FCI-219 will be prepared for the individual producer units in the regular manner. No entry shall be made in column C unless the total acreage planted on the farm exceeds the maximum insurable acreage. (See case 6 of this section.)

CASE 3. IRRIGATED AND NONIRRIGATED LAND.

A. Where a Farm Contains Both Irrigated and Nonirrigated Land and Separate Yields and Premium Rates Have Been Established on Form FCI-203-C, the Lint Cotton Insurance Per Acre and the Premium Rates for Irrigated and Nonirrigated Land Shall Have Been Listed Separately in Paragraph 3 of Form FCI-212-C With the Identifying Letter (I or NI) Inserted in Column B.

Owner, Landlord, or Operator.—In these cases a separate Form FCI-219 will be prepared for the irrigated and nonirrigated areas since each is considered a separate farm. The entries in columns B and C of the Form FCI-219 shall be determined in accordance with the method outlined in case 6 of this procedure.

Individual Producers on Insurance Units Less Than a Farm.—Forms FCI-219 will be prepared for the individual producer units in the regular manner. No entry shall be made in column C unless the total acreage planted on the farm exceeds the maximum insurable acreage. (See case 6 of this section.)

B. Where the Farm or Portions Thereof Are Irrigated in Some Years and Not Irrigated in Other Years.

Owner, Landlord, or Operator.—In these cases one Form FCI-219 will be prepared for the entire farm. The practices carried out (irrigated or nonirrigated) should be entered in column A using the proper identifying letter (I or NI). The entries in columns D and G shall be applicable lint cotton insurance per acre and premium rates for the irrigated and nonirrigated land. The entries in columns B and C shall be determined in accordance with case 6 of this procedure.

Individual Producers on Insurance Units Less Than a Farm.—Forms FCI-219 will be prepared for the individual producer units in the regular manner. No entry shall be made in column C unless the total acreage planted on the farm exceeds the maximum insurable acreage. (See case 6 of this section.)

C. Where It Has Not Been Determined Before the Closing Date for the Receipt of Applications in the County Office That a Portion of the Farm Will Be Irrigated and a General Yield and Premium Rate for the Farm Has Been Established on Form FCI-203-C.

Owner, Landlord, or Operator.—In these cases one Form FCI-219 will be prepared for the entire farm. The entry in column B shall be the acreage determined to have been planted to cotton on the farm unless such acreage is in excess of the maximum insurable acreage, in which case the entry in column C shall be the maximum insurable acreage.

Individual Producers on Insurance Units Less Than a Farm.—Forms FCI-219 will be prepared for the individual producer units in the regular manner. No entry shall be made in column C unless the total acreage planted on the farm exceeds the maximum insurable acreage. (See case 6 of this section.)

CASE 4. FRACTIONAL PARTS OF A FARM.

The procedure outlined below shall be followed in all cases where the agricultural con-

servation program work sheet farm, as listed on Form FCI-203-C, is broken down into fractional parts:

A. When Divisions Take Place *After* the Approved Form FCI-203-C is Received in the County Office and *Before* the Closing Date.

Owner, Landlord, or Operator.—A Form FCI-219 will be prepared for each farm resulting from the division, based on the acreage of cotton planted on the farm, and the insured's interest to be entered in column F shall be his interest in the entire cotton crop at the time of the beginning of the planting of the cotton crop. The entry in column B shall be the acreage determined to have been planted to cotton on the farm. No entry shall be made in column C unless it is determined that the acreage planted to cotton is in excess of the maximum insurable acreage, in which case, the entries in column C shall be determined in accordance with the method outlined in case 6 of this section. The entries to be made in columns D and G shall be obtained from the approved Form FCI-203-C.

Individual Producers on Insurance Units Less Than a Farm.—In the case of the producer operating an insurance unit comprising only part of a farm (including those owners or operators of farms resulting from a division of a farm listed on Form FCI-203-C), separate Forms FCI-219 will be prepared for each producer's unit. The entry in column F shall be the applicable interest in the cotton crop on such unit at the time of the beginning of the planting of the cotton crop. The entry in column B shall be the acreage of cotton determined to have been planted on the particular unit. No entry shall be made in column C unless the acreage planted to cotton is in excess of that portion of the cotton acreage allotment or permitted acreage, whichever is applicable, allocated to the particular unit, in which case the entry to be made in column C of the separate Forms FCI-219 shall be determined in accordance with the method outlined under case 6 of this section. The entries to be made in column D and column G are obtained from the memo-

randum work sheet which will have been prepared in accordance with instructions contained in section VI of Form FCI-211-C.

B. When Divisions Take Place *After* the Closing Date But *Before* the Beginning of the Planting of the Cotton Crop.

Owner, Landlord, or Operator.—In these cases the procedure set forth in "A" above shall be followed; however, it must be noted that Form FCI-212-C must have been submitted prior to the closing date.

Individual Producers on Insurance Units Less Than a Farm.—Form FCI-219 will be prepared based on the acreage of cotton planted on the particular producer's unit, and the entry in column F shall be the interest of the producer in the cotton crop on such unit at the time of the beginning of the planting of the crop; however, Forms FCI-219 should not be prepared unless it is determined that Forms FCI-212-C or FCI-212A-C were submitted to the county office before the closing date.

C. When the Division Takes Place *After* the Date of the Beginning of the Planting of the Cotton Crop But *Before* the Beginning of the Harvest or Time of Loss, Whichever Occurs First.

Owner, Landlord, or Operator.—The procedure outlined in paragraph 1 of subsection A of case 4 shall be followed.

Individual Producers on Insurance Units Less Than a Farm.—No Form FCI-219 shall be prepared covering the interest of those producers who acquired such interest after the beginning of the planting of the cotton crop, since Form FCI-219 reflects the interest in the cotton crop at the time of the beginning of the planting of such cotton crop.

CASE 5. OTHER UNUSUAL CASES.

A. Insurance on Cotton Planted on the Riverbank Side of the Levee.

Owner, Landlord, or Operator.—In those cases where a farm contains land on the riverbank side of the levee as well as land on the inside of the levee, separate premium rates and

yields shall have been established for the separate areas. In these cases only one Form FCI-219 shall be prepared, but the information relative to the acreage on the riverbank side of the levee and the acreage inside the levee shall be listed separately.

The entries in column B of Form FCI-219 shall be the acreage determined to have been planted to cotton on the farm. No entry shall be made in column C of Form FCI-219 unless it is determined that the total of the acreages planted to cotton on the riverbank side of the levee and the acreage inside the levee is in excess of the maximum insurable acreage for the farm, in which case the entries to be made in column C of Form FCI-219 shall be determined in accordance with the method outlined under case 6 of this section.

Individual Producers on Insurance Units Less Than a Farm.—Forms FCI-219 will be prepared for the individual producer units in the regular manner. No entry shall be made in column C unless the total acreage planted on the farm exceeds the maximum insurable acreage. (See case 6 of this section.)

B. Other Cases.

All other cases not covered specifically by this procedure shall be handled in accordance with General Procedure 4, "Procedure for Handling Individual Cases."

CASE 6. ACREAGE PLANTED TO COTTON EXCEEDS MAXIMUM INSURABLE ACREAGE.

Where the total of the acreages planted to cotton under separate practices followed on the same farm, or the total of the acreages planted to cotton on tracts comprising the same farm, or where the total of the acreages planted on

farms included in a combination exceeds the total allotment or permitted acreage, whichever is applicable, for the entire farm or the combined farm, whichever the case may be, the entries to be made in column C of the Forms FCI-219 shall be the same proportion of the cotton acreage shown in column B that the farm allotment or permitted acres bears to the total acreage planted under all practices or tracts of the same farm, or to the total acreage planted on all farms included in the combination.

In these cases, the entries in column C of Form FCI-219 for each insurance unit should be determined in the manner outlined below:

	Allotment or permitted acreage	Form FCI-219	
		Col. B—Total acres planted	Col. C—Maximum insured acres
Farm or Tract A-----	-----	110	101.5
Farm or Tract B-----	-----	215	198.5
	300	325	300.0

The entries shown above for column C of Form FCI-219 were computed as follows:

Farm or Tract A $\frac{300}{325}$ of 110 or 101.5 acres.

Farm or Tract B $\frac{300}{325}$ of 215 or 198.5 acres.

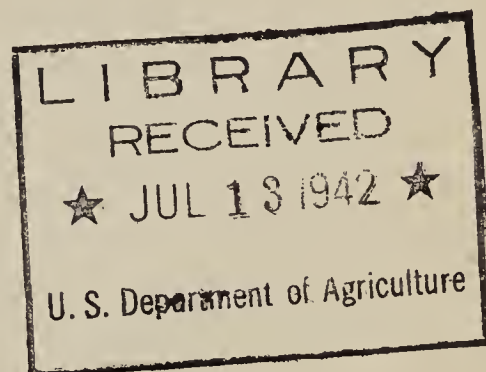
If there are special practices on the same farm, the acreage figures to be entered in column C of the related Form FCI-219 should be computed in a manner similar to that shown above for the farm or tract.

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Form FCI-301-W (Supplement to Form FCI-201-W)

County Procedure for 1943 FCI Yields and Rates AND 1943 ACP Farm Wheat Yields

SUPPLEMENT TO THE COUNTY YIELD AND
RATE PROCEDURE, 1942 WHEAT CROP
INSURANCE PROGRAM, AND COUNTY PRO-
CEDURE FOR 1942 FARM WHEAT YIELDS,
AGRICULTURAL CONSERVATION PROGRAM



UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
AGRICULTURAL ADJUSTMENT AGENCY
WASHINGTON, D. C.

Issued June 1942

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1943 COUNTY YIELD AND RATE PROCEDURE

Section I. GENERAL

The method of determining 1943 yields and premium rates will be almost identical with the method used in 1942. Therefore, the procedure used in 1942, County Yield and Rate Procedure, Form FCI-201-W, will be used again for 1943. *Only changes from the 1942 method will be mentioned in the following instructions.* The instructions as set forth in Form FCI-201-W should be used with the understanding that, where necessary, references to 1939 shall be read as 1940, 1940 as 1941, 1941 as 1942, 1942 as 1943; the form numbers of the forms mentioned should be interpreted to apply to the 1943 program. Any instructions in Form FCI-201-W which are in conflict with instructions in this procedure shall be replaced by the instructions outlined herein. Interpretations of instructions outlined in Form FCI-201-W relative to the 1942 program shall be extended to the 1943 program where applicable.

A new feature of the 1943 procedure will be the use of premium-rate schedules to replace the premium rates formerly computed on an individual farm basis. In those counties where premium-rate schedules are used, no premium-rate calculations will be made on the 1943 listing sheets. The premium-rate schedules will provide a premium rate to be used for each farm based on the size of the 1943 final factored yield for the farm. In counties not using the premium-rate-schedule plan, premium rates for farms will be computed on the 1943 listing sheets in accordance with instructions in Form FCI-201-W as approved for use in 1943. Such premium-rate schedules will be prepared by the Federal Crop Insurance Corporation for the counties in which their use is approved.

It is anticipated that the minimum premium rate for 1943 will be increased for some counties. Therefore, the minimum premium rate of 0.5 bushel for 75-percent insurance and 0.3 bushel for 50-percent insurance, will not be applicable in all counties. The notice of county check yield and premium rate will show the applicable minimum premium rate for the county.

Revisions in farm yields and rates recommended by the county committee shall be made in the final factored figures rather than in the calculated figures in those cases where relatively few revisions are to be recommended, unless the factoring is done in the State office. If a considerable number of revisions are to be recommended, or if the factoring is done in the State office, the revisions should be made in the calculated yields and rates in accordance with the 1942 Wheat Listing Sheet Procedure.

Section II. 1942 YIELDS AND RATES

A. Revisions

Where relatively few revisions are to be made, revisions of yields and rates recommended by the county committee shall apply to the 1943 final factored yields and rates unless the factoring is to be done in the State office. Where a considerable number of revisions in yields and rates are to be made, or where the factoring is to be done in the State office, the calculated figures should be revised prior to factoring and approved in accordance with the procedure used in 1942. No revisions shall be made in the 1942 yields and premium rates before they are used in determining yields and rates for 1943.

B. Listing of Farms Not Included on Any 1942 Listing Sheets

If any farms that were not listed on the 1942 listing sheets, either original or supplemental, need to be listed on the 1943 listing sheets, they should be included on the original 1943 listing sheets if possible. Yields and premium rates for such farms shall be appraised by comparison with similar farms. If 1941 yield and loss data are available for such farms, on Form FCI-107-W, such data shall be given consideration in making the appraisal. The figures to be entered in the calculated-yield and premium-rate columns shall be appraised instead of final factored figures in order that data for the farm may be given weight in determining the factors to be used in meeting the county check yield and premium rate. The appraised yield and rate shall be entered on the 1943 listing sheet (columns 14 and 22) and circled to indicate that they are appraised. The words "Not listed in 1942" shall be entered in column 2 and the farm or work-sheet number of the farm used as a basis for comparison shall be indicated in a blank space on the listing sheet. State and branch office approval of the yields and rates for such farms will be given at the time the completed listing sheets are approved in the State office.

C. Combinations and Divisions of Farms

Data for farms which have been combined or divided for both agricultural conservation program and Federal crop insurance program purposes since the 1942 wheat listing was completed or for farms which may need to be combined or divided prior to listing for 1943, shall be listed on a sheet labeled "Reconstituted Farms." The reconstituted farm listing sheet shall be prepared in accordance with instructions in section VIII of this procedure. In

order that farms which have been combined or divided since the preparation of the 1942 listing sheet may be properly identified, the farm or work-sheet number for the parent farm(s) shall be entered in the proper sequence on the 1943 listing sheets. If all farms in the county have been renumbered and if no 1943 farm or work-sheet number has been assigned to the parent farm(s), the farm(s) shall be listed in the proper sequence with the 1942 farm or work-sheet number shown in column 2 and a dash (—) in column 1. Other data for such farms shall not be listed.

On the blank line opposite the number of the farm that has been divided or combined, a notation shall be inserted showing the numbers of the other farms involved in the combination and the number or numbers of the farms resulting from the combination or division.

Section III. CROP YIELDS AND LOSSES

The 1941 crop yields and losses for all farms listed on Form FCI-203-W have been recorded on Form FCI-107-W. Yields and losses for such farms shall be obtained from that form. All instructions in this section of the 1942 procedure have been replaced by those in Form FCI-105-W, Instructions for Collection and Tabulation of 1941 Wheat Crop Data.

Section IV. PREPARATION OF 1943 LISTING SHEETS

A. General

Crop losses for 1941 have been recorded on Form FCI-107-W and will be transferred from that form. Crop losses have been determined on Form FCI-107-W by comparing the 1941 crop yield with 75 percent of the 1941 listing sheet yield for the farm. In those cases where no 1941 listing sheet yield was available, the 1942 yield was used.

1. *Irrigated and nonirrigated farms.*—The procedure for establishing separate irrigation and non-irrigation yields and rates for farms which are irrigated in some years and not in others, as outlined in Form FCI-201-W, shall be used in the following instances:

(a) Where more of the wheat crop is irrigable than can be irrigated with the normal supply of water and where it is customary to rotate the irrigated acreage from one part of the farm to another.

(b) Where the water supply is so uncertain that a water shortage frequently occurs which results in the wheat being grown without irrigation in possibly 3, 4, or more years in a 10-year period. If only one yield and rate is established for such farms, the premium rate would be so high as to appear excessive in order to cover the risk involved. A basis for insurance more satisfactory to the operator will result by establishing both irrigation and nonirrigation yields and rates for such farms.

In an available blank space on the listing for farms which are irrigated in some years and not irrigated in others, enter the notation "One insurance unit."

2. *Division of farms on Form FCI-303-W.*—Farms that were insured under the 1942 wheat crop insurance program on the basis of separate yields and rates for parts of the farm which varied widely in soil type, topography, productive capacity, or risk of loss (case 3, sec. VI, Form FCI-211-W), and other farms which should be treated in a similar manner shall be entered on the listing sheet followed by each part for which a separate yield and rate is to be established; that is, the information for the entire farm shall be shown opposite the ACP farm serial number and each of the identified parts shall be entered on separate lines beneath the information for the entire farm. If not previously established, the individual yields and rates (if rate schedule is not used) for the widely varying parts shall be established in the same manner as outlined in subsection A of section IV of Form FCI-201-W relative to the division of farms on the listing sheet.

The widely varying parts will be combined into one insurance unit to determine the insured production and any indemnity. In an available blank space on the listing for such farms enter the notation "One insurance unit."

3. *Revisions of yields and rates by the county committee.*—The method of handling revisions of yields and rates recommended by the county committee has been explained in subsection A of section II of this procedure.

B. Entries on 1943 Wheat Listing Sheets

No entries shall be made in columns 19 to 28, inclusive, in those counties where premium rate schedules are used. Instructions for use of the premium rate schedule are included in section IX of this procedure.

COLUMN 1.—Farms shall be numbered in accordance with instructions used for 1942 as supplemented by instructions in section VII of this procedure.

COLUMN 2.—When a farm was not listed on Form FCI-203-W, the words "Not listed in 1942" shall be entered in column 2. For combined farms the 1942 farm or work-sheet numbers of the parent farms shall be entered; for divided farms the words "Part of 1942 farm _____" shall be entered.

COLUMN 10.—References to—

- (1) Column 14 of Form FCI-103-W should be changed to column 15 (Form FCI-203-W).
- (2) Column 13 of Form FCI-103-W should be changed to column 14 (Form FCI-203-W).

COLUMN 11.—References to—

- (1) Column 15 of Form FCI-103-W should be changed to column 16 (Form FCI-203-W).
- (2) Column 17 of Form FCI-103-W should be changed to column 18 (Form FCI-203-W).

COLUMN 12.—The 1941 crop yield shall be obtained from column 7 of Form FCI-107-W.

COLUMN 13.—Entries shall be obtained from column 8 of Form FCI-107-W where entries appear in that column.

COLUMN 19.—References to—

(1) Column 22 of Form FCI-103-W shall be changed to column 24 (Form FCI-203-W).

(2) Column 25 of Form FCI-103-W shall be changed to column 27 (Form FCI-203-W).

COLUMN 20.—The 1941 crop loss shall be transferred from column 14 or 15 of Form FCI-107-W, whichever is applicable.

COLUMNS 25 AND 28.—The minimum premium rate for the county to be used in columns 25 and 28 of Form FCI-303-W, where applicable, shall be obtained from the notice of county check yield and premium rate.

Section V. COMPLETION OF WORK IN COUNTY OFFICE

A. Preparation of County Summary

The total of 1941 crop losses in column 20 and the average of the 1941 crop losses shall not be shown on the county summaries of Form FCI-303-W, since they were previously shown on Form FCI-107-W.

B. State Office Approval of Form FCI-303-W

The completed listing sheet and the county summary shall be transmitted to the State office for approval. If revisions in the yields and rates are recommended by the county committee, the list of revisions, together with the reasons therefor, should accompany the listing sheets.

C. Notice to Wheat Growers of Yields and Premium Rates

Instructions outlined in Form FCI-201-W for notifying producers of their yields and premium rates and for accepting appeals shall apply to the 1943 program.

Appeals and correction of errors under the 1943 program shall be handled in accordance with instructions outlined in Form FCI-204-W, Appeals and Corrections Procedure, notwithstanding that such procedure was originally issued to apply only to the 1942 program.

Section VI. MISCELLANEOUS

The procedure for rounding shall be identical with that for 1942. The tables included in this section of the 1942 Yield and Rate Procedure shall be used for 1943. The table entitled "Table of computed loss costs (75-percent insurance)" will not be used for computing loss costs on Form FCI-303-W, since the loss costs have previously been determined by the use of this table on Form FCI-107-W.

Section VII. NUMBERING OF FARMS

The following instructions shall be used for numbering farms on Form FCI-303-W:

1. Farms shall be listed by ACP communities in all counties except those in which there are less than 100 wheat farms to be listed. Community numbers or letters shall be assigned to each community. The number or letter thus assigned, followed by a dash (—), shall precede the 1942 or new number and become a part of the farm or work-sheet number for each farm listed in the community. Farms for more than one community shall not be listed on the same sheet, unless all the farms for two or more communities can be listed on one sheet.

2. Farms resulting from combinations or divisions shall be assigned the next higher available number following the last number assigned in the community. Where it is a practice, however, to number subdivided farms by assigning the number of the parent farm followed by letters, such as A, B, C, to each part, this practice may be continued. The number of the parent farm (except as indicated above) shall not be reassigned either to a resulting farm or to any other farm in the community until such time when all farms in the county may be renumbered.

3. If, because of numerous combinations and divisions or for some other reason, it becomes desirable to renumber the farms in the county, it shall be done by rearranging the farms in each community systematically, usually in alphabetical order of the identifying names, and assigning farm or work-sheet numbers starting with the number 1 in each community preceding each farm or work-sheet number by the community letter or number.

Section VIII. PROCEDURE FOR PREPARATION OF "RECONSTITUTED FARMS" LISTING SHEET

A. Before Completion of 1943 Listing Sheets

(Data for original or parent farm(s) shall be listed with red ink and the data for reconstituted farm(s) with black ink to aid in identification. Further it is suggested one space be left blank between the listing for the parent farm(s) and the reconstituted farm(s) and at least two spaces between each case.)

Data for farms which have been combined or divided since the preparation of the 1942 wheat listing sheets, Form FCI-203-W, but before completion of the 1943 listing sheets, shall be listed on a sheet headed "Reconstituted Farms." Combination or division of the data for such farms shall be accomplished in accordance with the following instructions. The data for the farm(s) as shown on the 1942 wheat listing sheets, before combination or division, shall be listed on the reconstituted farm sheet under the following headings:

Farm number, name of owner, name of operator, farm-land acres, cropland acres, acreage used for weighting, 1942 calculated yield, yield limited or revised by county committee, 1942 final yield factored, yield appeals granted, 1942 final premium rate (after appeal, if any).

The following yield and loss data for such reconstituted farms as shown on Form FCI-107-W should also be listed on the reconstituted farm listing sheet:

Acreage seeded, acreage harvested, total production, average yield (circled if appraised), loss per acre.

The entries for the reconstituted farms resulting from a combination or division should be determined in the following manner:

(a) Assign farm or work-sheet numbers in accordance with instructions in section VII of this procedure.

(b) From records available, enter the name of owner, name of operator, farm-land acres, cropland acres, and acreage used for weighting for each reconstituted farm.

(c) In the case of a combination of two or more farms, the yield and rate (except for rounding differences) shall be the weighted average of the yields and rates for parent farms except, where one or more of the parent farms has a zero acreage for weighting. In such cases, the 1942 yield and rate for the reconstituted farm shall be appraised giving consideration to probable future rotation practices. Those tracts on which most of the wheat is likely to be grown in the future should be given the most consideration in making the appraisal. The yield or rate for the reconstituted farm should always be between the highest and the lowest yield or rate for the farms being combined. In such cases the yields and rates established need not weight to the yields and rates of the parent farms.

In the case of a division, the yields and premium rates shall be determined by comparison with a similar farm. The weighted average of the yields shall approximate the yield for the parent farm and the weighted average of the premium rates shall be equal to or greater than the premium rate for the parent farm. If the acreage for weighting for the parent farm was zero, or if a zero acreage for weighting is assigned to one or more of the reconstituted farms, the yields and rates shall be appraised in a manner similar to that outlined for combinations of such farms.

(d) The 1941 crop yields for the reconstituted farm shall be obtained, if possible, by combining or dividing acreage and production data for the parent farm(s) and computing the crop yield from the data applicable to the reconstituted farms. If sufficient information is not available to permit division of the data of the parent farm in the case of a division, or if data are not available for one or more of the farms being combined in the case of a combination, the crop yield(s) of the reconstituted farm(s)

shall be appraised giving consideration to all available information. Crop losses for the reconstituted farm(s) in such cases should be computed by comparing the crop yield with 75 percent of the 1942 listing sheet yield since no 1941 listing sheet yield will be available.

The listing for the parent farm shall be lined out and the proper notations made concerning the combination or division.

Listing sheets for reconstituted farms shall be reviewed and approved in the county office by a representative of the State committee prior to the use of the data on the 1943 listing sheets. The reconstituted farm listing sheets shall be held in the county office for transmittal to the State office if such action is requested by the State committee.

B. After Completion of 1943 Listing Sheets

Farms which need to be combined or divided after the completion of the 1943 listing sheets shall be listed on the "Reconstituted Farms" listing sheet and divided or combined in accordance with these instructions. Columns for recording 1942 crop data should be provided instead of the 1941 crop data in such cases. The 1942 crop data should be recorded in the proper columns when they become available. The listing sheet for reconstituted farms should be kept current at all times.

Applications for crop insurance for reconstituted farms shall be executed in accordance with instructions outlined in the county application procedure.

Section IX. DETERMINATION OF 1943 PREMIUM RATES FOR FARMS IN COUNTIES USING PREMIUM-RATE SCHEDULE¹

A. General

The premium-rate-schedule plan is a method of arriving at farm rates which will tend to rule out accidental and minor differences between the rates for farms and does not represent a reversal of policy with respect to the establishment of premium rates. It is still contemplated that the higher-risk farms will pay higher rates. Under this plan difference in rates from those established on the rate schedule should not be made unless there is an obvious reason therefor. Accidental losses of previous years or appraisals based on the computed premium rates for key farms will not be the basis for differences in rates. However, it is important that where the premium-rate-schedule plan is used, farms having the same yield but subject to apparent differences in risks should not be given the same premium rate. Under this plan only upward revisions in premium rates will be permissible.

¹ The premium-rate schedule will not be used and the instructions in this section will not be applicable except in those counties where the use of the premium-rate-schedule plan is approved.

B. Use of Premium-Rate Schedule

In those counties in which the use of the premium-rate schedule is approved by the State committee and the Federal Crop Insurance Corporation, no premium-rate calculations will be made on the 1943 listing sheets.

To obtain the premium rate for a farm, determine into which of the yield groups shown on the schedule the 1943 final factored yield for the farm falls. The premium rate shown opposite the yield group thus determined is the 1943 premium rate for the farm, unless upward adjustments are made in accordance with instructions given under subsection C of this section.

In a large majority of counties, it is expected that one premium rate schedule will provide equitable premium rates for individual farms. However, in counties where farms fall into two or more distinctly different groups with respect to risk of loss, but which have yields which fall within the same yield group on the premium rate schedule, it may be necessary to provide more than one schedule of rates—one for each risk group. This method will not be used except where clear-cut differences exist. Except for special-practice counties, it is expected that two premium-rate schedules will be sufficient in all but a few exceptional cases where extremely varied conditions exist.

The risk groups within a county for which separate premium-rate schedules are to be prepared will be recommended by the county committee to the State committee and the Federal Crop Insurance Corporation for approval.

In the event that the use of two or more premium-rate schedules has been approved for a county, the farms shall be identified on the 1943 wheat listing sheets to indicate which premium rate schedule applies to the farm. This should be accomplished by assigning identifying letters to the risk groups for which separate rate schedules are to be issued. For example: If premium rate schedules are to be provided for bottom land and upland, the letter "B" should be used to indicate bottom land and the letter "U" to indicate upland. The identifying letters should be entered in column 20 of the 1943 wheat listing sheets. If a farm consists of land falling into

more than one risk group the identifying letters of each of the risk groups should be entered in column 20 for the farm. In addition in those counties for each farm listed, there shall be entered in column 19 of the Form FCI-303-W, the 1942 final factored premium rate. This figure should be obtained from column 24 of Form FCI-203-W unless an appeal was approved, in which case it should be obtained from column 27.

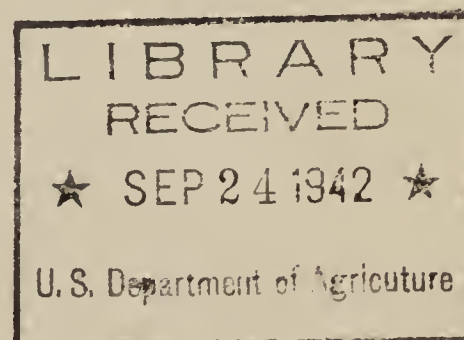
C. Upward Adjustments from Premium-Rate Schedule

It is important that particularly high-risk farms should not be given the schedule rate, as this would be a special inducement for such farms to carry insurance which might result in increasing rates for all farms in the county in the future. If it is obvious that there are real differences in risks of loss, the county committee shall increase the premium rates for such farms to a figure sufficiently higher than the applicable schedule rate.

A list of the recommended upward revisions of premium rates should be prepared in triplicate showing the ACP farm or work-sheet number, the schedule rate, and the revised rate recommended by the county committee. The original and one copy of the list, together with a memorandum setting forth the reason or reasons for the upward adjustments, should be submitted to the State office for approval at the time the 1943 wheat listing sheets are submitted.

If the upward revisions in premium rates result in an average premium rate for the county that is higher than the county check rate, the State committee and a representative of the branch office will compute the amount by which the county check rate has been exceeded and make a corresponding downward adjustment in the premium rates for all farms in the county so that in the aggregate the rates for the county will not exceed the county check rate. Any downward revisions thus made in the State office will be reflected on a revised premium-rate schedule which, together with the list of approved premium rates for those farms where revisions were recommended, will be returned to the county office along with the approved 1943 wheat listing sheets.

1942 COTTON LOSS ADJUSTMENT
PROCEDURE
AND
ADJUSTER'S MANUAL



UNITED STATES DEPARTMENT OF AGRICULTURE

U. S. FEDERAL CROP INSURANCE CORPORATION

WASHINGTON, D. C.

Issued July 1942

FOREWORD

The success of the Federal Crop Insurance Program will depend largely upon the manner in which adjustment and settlement of losses are made. It is the hope of the Federal Crop Insurance Corporation that adjustment and settlement of losses will be handled in such a manner that every settlement is fair and just both to the insured and to the Corporation.

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1942 COTTON LOSS ADJUSTMENT PROCEDURE AND ADJUSTER'S MANUAL

SECTION I. ADJUSTMENT ORGANIZATION AND SELECTION OF ADJUSTERS

The State agricultural conservation committee, hereinafter referred to as the "State committee," will be charged with the responsibility of supervising and coordinating the adjustment work within the State. The State committee should be familiar with cotton crop conditions in all sections of the State and the committee should be able to assist with adjustments whenever called upon to do so.

The county agricultural conservation committee, hereinafter referred to as the "county committee," will be in charge of the adjustment work in the county. In most counties a person designated by the county committee, with the approval of the State committee, will act as the adjuster of claims for losses in the county, but in counties where it appears that there will be a large number of adjustments it may be necessary for the county committee to utilize the services of additional adjusters. A sufficient number should be chosen to handle adjustment work quickly and adequately in the event of an emergency in that county, but only in rare instances should it be necessary to select more than four additional adjusters.

For selection as an adjuster, a person shall have the following qualifications:

1. He must be a farmer participating in and familiar with the general program for agriculture and should be a cotton producer living in that area and participating in the crop insurance phase of the general program;
2. He must not hold a political office or be a candidate for any such office;
3. He must be a man who would not utilize the adjustment work of the Corporation as a means of promoting any other line of business;
4. He must be a man known for his integrity and have a reputation for fair dealing and honesty;
5. He must be able to understand business papers and accounts, and be able to write legibly; and
6. He must be a man respected by the farmers living within the county.

All appointments of adjusters will be made by the county committee, subject to the approval of the State committee.

SECTION II. GENERAL DESCRIPTION OF ADJUSTMENT WORK

Under a cotton crop insurance contract the insured is guaranteed a certain number of pounds of cotton, and the amount of indemnity is the number of pounds of cotton by which the insured's share of the total production for the insurance unit is less than his insured production. A definite method is available under the cotton crop insurance program which makes possible a speedy and accurate adjustment of claims.

Adjustment work will consist in general of:

1. Inspection of the insured crop before the cotton crop or any portion thereof is harvested, if it is probable that an indemnity will be payable and the particular circumstances of the case warrant an inspection;
2. An inspection shall also be made before permission is granted to put to another use land on which a cotton crop or any portion thereof is determined to have been totally or substantially totally destroyed.
3. Ascertainment of the amount of loss.

In connection with this work the following forms will be used:

Form FCI-108, "Notice of Transfer, Harvest, Removal, or Other Use of ----- Crop."
Form FCI-260-C, "1942 Loss Adjustment Procedure and Adjuster's Manual."
Form FCI-63, "Inspection Report."
Form FCI-266-C, "Adjuster's Work Sheet."
Form FCI-267-C, "Statement in Proof of Loss."
Form FCI-267A-C, "Record of Production on Fractional Parts of an Insured Farm."
Form FCI-269, "1942 Indemnities—Transmittal Sheet."
Form FCI-274, "Certificate of Indemnity."
Form FCI-274A, "Request to Liquidate Commodity Loan."

Form FCI-108 will be used for the purpose of notifying the county committee of an intention to make other use of the land or to harvest a damaged crop.

This form shall be executed by the insured and mailed or delivered to the county committee.

Form FCI-63 will be used by the adjuster in reporting damage to the insured crop and probable production. Form FCI-266-C and Form FCI-267-C will be used to ascertain the loss under the insured's contract. Form FCI-267A-C will be used to record production for the farm where an insured has varying interests in the crop produced on individual units comprising one listing sheet farm. Detailed instructions for the use of these forms are set out in the following sections of this procedure.

All persons connected with adjustment work in the county should be very careful to refrain from making any statement to the insured or any other person either admitting or denying the liability of the Corporation for any claim made by the insured. Failure to observe this warning may result in considerable trouble for the Corporation in the event of litigation involving the insurance contract.

SECTION III. DUTIES OF THE COUNTY COMMITTEE

A. Preliminary to Adjustment Work.

The county committee shall be familiar with the general condition of the cotton crop in the county. The county committee shall make a comprehensive study of all provisions of the cotton crop insurance program and especially this procedure.

B. Supervision of Inspection and Adjustment Work.

Upon receipt of the first Form FCI-108 the county committee shall immediately inform the State committee, and a representative of the State committee shall assist in making the first few inspections or adjustments in the county. The county committee shall, however, always keep the State committee currently informed of any problems arising in connection with inspections and adjustments in the county.

It is the duty of the county committee to provide the adjusters in the county with all the information, forms, equipment, and other materials necessary for adjustment work. Any material taken from the office files will be charged to the adjuster and credit given him when it is returned. The county committee shall instruct the adjuster to carefully safeguard this material as the county office copies of the forms and related data must be preserved for the use of the county committee.

County committees shall determine that proper farm and field identifications are furnished the adjusters. In order that controversy may be avoided in final settlement of loss, the adjusters shall be required to furnish the county committee with records, identifications, and measurements including sketches, maps, or designations on a map used in

connection with the agricultural conservation program.

It is the responsibility of the county committee to determine that all inspection and adjustment work in the county is performed promptly, efficiently, and honestly. The county committee shall assign cases for inspection and adjustment to the adjusters, shall check their reports, and shall approve or disapprove all appraisals of yields and all Forms FCI-267-C.

It shall be the duty of the county committee to determine who has the insured interest at the time of loss or beginning of harvest, whichever is earlier.

An adjuster who has any interest, including interest through ownership, operation, or family relationship, *shall not* be assigned to the investigation, adjustment, or settlement of a claim involving the farm in which such adjuster has an interest. Furthermore, an adjuster whom the county committee believes may be prejudiced either in favor of or against an insured *shall not* be assigned to an inspection or adjustment in connection with a claim of such insured.

SECTION IV. DUTIES OF THE ADJUSTER

The adjuster shall have a thorough knowledge of all of the provisions of the cotton crop insurance program.

The adjuster shall be under the immediate supervision of, and directly responsible to, the county committee. He shall receive work assignments from, and make reports to, the county committee.

The adjuster shall make all inspections, appraisals, and reports strictly in accordance with this procedure. When this procedure does not cover an adjustment problem, or its meaning is not clear, the adjuster shall request instructions from the county committee and shall carefully follow such instructions.

As previously set out in this procedure, the adjuster *shall not*, under any circumstances, make any statement to the insured or to any other person admitting or denying the liability of the Corporation for any claim. Also, as previously stated, the adjuster shall not investigate, adjust, or settle a claim involving a farm in which he has any interest, including interest through ownership, operation, or family relationship. Likewise the adjuster shall not handle an inspection or adjustment where he may be prejudiced either in favor of or against the insured.

The adjuster shall furnish the county committee with identifications and measurements, including sketches, maps, or designations on maps used in connection with the agricultural conservation program. In some cases it may be necessary to draft a rough sketch of a farm in order to identify divided fields.

SECTION V. INSPECTION OF THE INSURED CROP AS PROVIDED ON FORM FCI-108, "NOTICE OF TRANSFER, HARVEST, REMOVAL, OR OTHER USE OF CROP"

Upon receipt of Form FCI-108 indicating that the insured crop has been damaged and that the insured wishes to make other use of the land, the county committee shall refer Form FCI-108 to an adjuster who shall visit the farm and inspect the insured crop. The time of inspection should be influenced by the date upon which the insured wishes to make other use of the land. If Form FCI-108 indicates that the damaged crop is to be harvested, the case shall be referred to an adjuster for inspection, if the county committee determines that the loss is due to an uncommon or unusual situation which is not widespread over the particular area. In all cases the insured must give the county committee reasonable time in which to make the inspection and every effort should be made to inspect the farm not later than the date requested. It is important that notice be submitted by the insured since it is required under section 8 of part III of the regulations.

The adjuster shall make a report of his inspection on Form FCI-63 as provided for in section VII of this procedure.

If the adjuster determines that the entire insured crop is totally destroyed the insured shall prepare Form FCI-267-C. If requested by the insured, the adjuster shall assist in the preparation of Form FCI-267-C. This form shall be prepared and executed in accordance with the instructions in section VII of this procedure. If the adjuster determines that the entire insured crop has been substantially totally destroyed, the adjuster *shall not* assist in the preparation of Form FCI-267-C until some other use is actually made of the land, or the crop is harvested.

Form FCI-267-C *shall not* be prepared while there is any cotton unharvested on the farm or insurance unit.

If the entire insured crop has been totally destroyed by causes insured against such as hail, flood, etc., there is no serious problem for the adjuster since the production of cotton for the farm will be zero.

If the crop has not been totally destroyed but has been damaged to such an extent that farmers generally in the area where the farm is located would not further care for the crop for cotton production, section 9 of part III of the regulations provides that the crop shall be deemed to have been substantially totally destroyed. This rule must be strictly applied by the adjuster and the county committee since it is for the protection of both the insured and the Corporation. In cases of substantially total destruction of the entire cotton crop, it is necessary to appraise the yield of the cotton

not destroyed, and to count this cotton as production in computing the amount of loss under the insurance contract. Generally if the appraised yield is relatively high in comparison with the average yield, the crop shall not be considered as substantially totally destroyed. In areas in which it is the general farming practice, the county committee is authorized to grant permission to put such crops to other use in those instances in which the same practice is being followed on other farms in the community which were not insured. It is very difficult to appraise cotton early in the growing season, and since the amount of indemnity payable may be based upon this appraisal, such appraisal work assumes unusual significance. All appraisals shall be made in the manner described in section VI of this procedure.

It is assumed in the foregoing discussion that the total or substantially total destruction of the entire crop was from a cause or causes insured against under the insurance contract. Where the cause or causes of such destruction are not insured against, there is, of course, no indemnity payable under the insurance contract, and in cases of substantially total destruction of the crop, by reason of causes not insured against, there is no necessity for appraising the yield. If more than one cause contributes to the destruction of the entire insured crop and one or more of the causes are insured against and one or more of the causes are not insured against, it will be necessary to determine the amount of damage attributable to the causes insured against. The method in which this is to be done is explained more in detail in sections VII and VIII of this procedure in connection with the preparation and execution of forms. In all cases where it is found that damage to a cotton crop is due to causes not insured against, the adjuster shall include such findings as a part of his narrative report on Form FCI-63.

If the adjuster finds that a portion of the insured crop has been totally destroyed, or has been substantially totally destroyed, he shall indicate on Form FCI-63 the acreage of the crop so destroyed. If the acreage of such portion of the crop has not been measured separately, a very careful estimate should be made by check measurement, comparison with aerial photographs, maps, etc., at the time of the inspection of the crop.

In those cases where the insured requests the consent of the Corporation to put a portion of the acreage of the insured crop to some other use and the adjuster finds that this portion of the cotton crop on such acreage has been totally destroyed, or has been substantially totally destroyed, he shall make his recommendations in the space provided therefor on Form FCI-63. In such cases the adjuster, with the assistance of the insured, or the person caring for the crop, shall appraise the yield of such portion of the crop. This appraised yield, when approved by the county committee, shall be considered as the production from such acreage and shall

be reported on Form FCI-267-C in computing the total production for the farm.

Of course, if the insured does not put this acreage to another use, and the actual yield realized therefrom differs from the appraised yield, the actual yield instead of the appraised yield will be used in determining the total production for the farm.

If an inspection is made soon after planting and the adjuster finds that a loss may be expected because the stand is insufficient for any reason, it shall be the duty of the adjuster to determine if producers in the community are generally replanting. If this be the case, and it is considered a good farming practice, the insured shall be advised that in order to fulfill his contract he shall replant and that his failure to do so will result in an adjustment to the production equal to an amount of cotton by which the production from such unreplanted acreage is less than the product of such acreage and the lint cotton insurance per acre.

If the county committee, after considering the recommendations of the adjuster, cannot approve the request of the insured that he be permitted to put the insured acreage to another use, the insured shall be immediately notified in writing that the permission of the Corporation has not been granted. This notification shall be forwarded to all persons having cotton crop insurance with respect to the cotton crop being grown on the particular farm or insurance unit.

If the county committee approves the recommendations of the adjuster, the insured shall be immediately informed of such action by a written notification. This notification shall be forwarded to all persons having cotton crop insurance with respect to the cotton crop being grown on the particular farm or insurance unit and shall contain the following information:

1. State and county code number;
2. Numbers of all applications on the farm or insurance unit;
3. The insured's name and address;
4. The statement: "The Federal Crop Insurance Corporation has approved your request to put the following acreage to other use subject to the provisions of your insurance contract";
5. Field letter or number, acreage, appraised yield per acre;
6. Signature and date of signature of county committeeman.

The original shall be mailed to the insured and the carbon copy filed in the county office.

Ascertainment of Amount of Loss.

Form FCI-266-C, Form FCI-267-C, and Form FCI-267A-C are provided for the purpose of ascertaining the amount of loss under the insurance

contract. The amount of loss for which a claim is to be made will be obtained by the proper preparation and execution of these forms. In cases of total or substantially total destruction of the entire insured crop from causes insured against, Form FCI-267-C may be prepared immediately after such destruction. In most cases, however, this form will not be used until after completion of weighing in at the gin. Consequently, it is important that the provisions of this procedure be followed.

If the insured and the adjuster cannot agree upon the amount of loss to be claimed on Form FCI-267-C, the adjuster shall transmit to the county committee the partially completed forms and a statement reporting the case fully and explaining the reasons for the failure to agree. At this time the adjuster shall provide the insured with a set of adjustment forms necessary for preparing the statement in proof of loss in order that a separate Form FCI-267-C can be submitted to the county committee by the insured, independent of the adjuster. This Form FCI-267-C, when executed and submitted by the insured, will furnish a record for further determination of the amount of loss claimed by the insured.

The county committee may assign another adjuster to the case or take such other steps as are necessary to properly adjust the loss as provided in this procedure.

If an agreement cannot be reached, the original and one copy of all papers prepared by the adjuster and the insured, including reports of all attempts at adjustment in connection with the case, shall be forwarded to the State office.

There may be instances where an insured crop has been damaged to the extent that a loss would be payable under the insurance contract, but the insured has not made claim for indemnity. When such cases come to the attention of the county committee, in order to make a record of the production for possible use in settling claims in the future, the county committee shall have a Form FCI-267-C prepared (and Form FCI-266-C, when necessary) by inserting the necessary information in the headings and parts I, II, III, and V of such form. Forms prepared in this manner shall not be signed by the adjuster and the county committee but in the space provided for the signature of the county committee there should be inserted the remark, "For record purposes only." These forms should be distributed in the ordinary manner, except that the insured's copy of such forms shall be retained in the county office. A narrative report of the circumstances surrounding the case and outlining the method used in determining the production and the reason the insured failed to make claim shall be submitted in each such case.

SECTION VI. APPRAISAL

Where it is necessary to make appraisals of yields, the appraised yield will be considered as the actual yield for the purpose of computing the amount of loss, if any, unless the actual yield differs from the appraisal, in which case the actual yield shall be used. The adjuster should, therefore, be very careful in making his appraisal and should, as previously stated, take into consideration any damage to the crop due to a cause or causes not insured against. When appraisals are made during the growing season the adjuster should remember that if other use is made of the land, the Corporation is relinquishing its opportunity to determine the actual yield. Consequently, he must assume that the most favorable growing conditions will prevail from the time of appraisal to the time of completion of harvest.

1. During the Growing Season.

It is usually difficult to accurately appraise a yield early in the growing season. However, substantially total destruction of a crop or portion thereof will be considered to have occurred only when such crop or portion thereof is so badly damaged that farmers generally in the area would not further care for the crop, or portion thereof. This, therefore, eliminates the necessity for widespread use of early appraisals and simplifies the work where such appraisals are necessary.

2. At Harvesttime.

In connection with the final adjustment and settlement of loss when the cotton crop has matured, there may be cases in which the insured does not wish to harvest the crop or a portion thereof. In appraising such crop or portion thereof, a study of the actual harvested yields of other fields shall be used as a guide.

SECTION VII. PREPARATION AND EXECUTION OF FORMS

General

Fractional units in acres and yields shall be rounded in accordance with the provisions of paragraph G of section I of Form FCI-211-C, "County Application Procedure."

A. Form FCI-63, "Inspection Report."

Form FCI-63 is for use by the adjuster in reporting his inspection of the insured cotton crop, but need not be executed if, as a result of inspection, adjustment of loss is made and Form FCI-267-C is executed.

Form FCI-63 will be prepared and the consent of the Corporation shall be obtained before other use is made of land on which a cotton crop or any portion thereof is determined to have been totally or substantially totally destroyed.

The consent of the Corporation need not be obtained before a damaged crop is harvested where a

loss is probable. However, Form FCI-108 should be prepared by the insured in every case where the cotton crop or any portion thereof is harvested and it is probable that there will be a loss under the insurance contract. Form FCI-63 shall be prepared only in those cases where the county committee determines that an inspection is necessary and will serve a useful purpose. It is felt that such inspection should be limited to those cases which would normally require an appraisal of the production of the farm.

In those cases where the insured wishes to dispose or has disposed of, the portion of the acreage in excess of the maximum insurable acreage, an adjustment to the production shall be reported on Form FCI-267-C, if the adjuster determines that the appraised yield for the acreage in excess of the maximum insurable acreage is greater than the appraised yield per acre for the remaining acreage of the cotton crop.

The original and one copy of Form FCI-63 shall be executed by the adjuster for a farm or insurance unit and the original shall be filed in the county office. The carbon copies shall be transmitted to the State office on Monday of each week, except in the case of the first inspections for a county, when such copies shall be sent to the State office as soon as the form is completed.

Case 1.—If inspection is made because the insured has requested permission to make other use of the land, Form FCI-63 shall be executed in all columns of part I and part II, if the adjuster recommends approval of the insured's request. In such cases the adjuster will inspect only the damaged fields which the insured has requested permission to put to other use.

Case 2.—If the inspection is made because the insured intends to harvest the crop, then only part I shall be executed. In such cases the adjuster's report shall include all the fields on the insured farm. The adjuster should obtain any information that will be helpful in making the final determination of the amount of loss such as the place where cotton will be stored and the amount of old cotton on the farm.

Preparation of Form FCI-63.

Enter in the upper right-hand corner in the spaces provided therefor the State and county code, the farm serial number, and the numbers of all applications on the insurance unit.

Enter in the upper left-hand corner, in the spaces provided therefor, the name and address of the insured requesting the inspection.

PART I

Enter on the lines provided the reason for inspection. This should correspond to the farmer's re-

quest on Form FCI-108 and will be one or more of the following or similar explanations:

- (1) The insured requested permission to make other use of the land.
- (2) Loss is apparent under the insurance contract and the insured requests inspection before harvest.

COLUMN 1: "A. C. P. Field Letters or Numbers."

Enter the letters or numbers for each field inspected. The number or letter should be that used to designate the field under A. C. P.

COLUMN 2: "Acreage."

Enter the acreage of each field listed in column 1.

COLUMNS 3 AND 4: "Revised Fields Where Necessary to Subdivide."

Where a request has been made to put a portion of a field to another use, the identifying number or letter as assigned by the adjuster and the acreage of the part of the field to be so used shall be indicated in columns 3 and 4. A careful estimate of the acreage to be entered in column 4 shall be made, and in every case a separate line shall be used for each field. It may be necessary to prepare a rough sketch of the farm if other maps are not available upon which identification can be made.

COLUMN 5: "Probable Yield Per Acre."

Enter the probable yield per acre for each field shown in column 1, or if divided, the probable yield for fields shown in column 3.

COLUMN 6: "Causes of Damage."

Enter the causes of damage. This column has been divided into two lines for each field to provide ample space for inserting all causes of damage for each field. Report all the causes of damage, both causes insured against and causes not insured against.

COLUMN 7: "Approximate Date of Damage."

Enter the approximate date of the causes of damage which are shown in column 6.

COLUMN 8. "Intended Use."

Indicate the intended use of the fields inspected.

PART II

Part II will be used only in cases of total or substantially total destruction of the insured crop on fields or parts of fields upon which the insured asks permission to make other use and upon which the adjuster recommends approval.

COLUMN 1: "Field Number or Letter or Revised Field Number or Letter."

Enter the field letter or field number from column 1 or part I unless the field has been subdivided,

in which case the field letter or number from column 3 of part I will be entered.

COLUMN 2: "Acreage."

Enter the acreage applicable for the field designated in column 1, part II.

COLUMN 3: "Appraised Yield Per Acre."

Enter the appraised yield per acre for the totally or substantially totally destroyed field designated in column 1 of this part. The adjuster in making this appraisal will be guided by instructions in section VI, "Appraisal."

COLUMN 4: "County Committee Disposition."

The county committee will enter in column 4 its acceptance, rejection, or correction of the adjuster's recommendations, and a member of the county committee will sign and date in the space provided therefor.

Adjuster's Narrative Report.

Any further information with respect to the inspection may be entered by the adjuster in the narrative report on Form FCI-63. If more space is needed reverse carbon and use reverse side.

The adjuster shall furnish on the original and the copy of Form FCI-63, in the space provided, a full and complete report of all facts that in his opinion have contributed to the damage of the insured crop.

Upon completion of the form the adjuster shall sign in the space provided and enter the date of signature.

B. Form FCI-266-C, "Adjuster's Work Sheet."

Form FCI-266-C is for the use of the adjuster in determining the net lint cotton produced from the 1942 crop. The original and one copy of Form FCI-266-C shall be executed by the adjuster for each insurance unit. However, where the same information would appear on each Form FCI-266-C prepared for the farm or insurance unit, only one such form need be prepared and attached to the first Form FCI-267-C prepared for such farm or insurance unit submitted to the state office. The original Form FCI-266-C shall be attached to the county office copy of Form FCI-267-C, and the copy shall be attached to and submitted with the State office copy of Form FCI-267-C. Appropriate cross reference shall be made on the State office copy of Form FCI-267-C.

Enter the State and county code and application number and the numbers of all applications on the insurance unit in the space provided in the upper right-hand corner.

Form FCI-266-C shall be prepared in accordance with instructions on the reverse side of such form.

C. Form FCI-267-C, "Statement in Proof of Loss."

If a loss is claimed the insured shall submit Form FCI-267-C to the Corporation at the office of the

county committee. In accordance with the terms of the insurance contract, Form FCI-267-C shall be submitted not later than 30 days after time of loss, but in no event later than February 20, 1943, unless such time is extended in writing by the Corporation. Loss, if any, shall be deemed to have occurred at the completion of weighing in of the insured crop at the gin or disposal of the harvested crop, or January 21, 1943 (unless such date is extended in writing by the Corporation), whichever occurs first, unless there is a total or substantially total destruction of the entire crop at an earlier time, in which event the loss shall be deemed to have occurred at the time of such total or substantially total destruction as determined by the Corporation.

In the event of a total or substantially total destruction of all or any portion of the acreage prior to maturity where permission has been granted to the producer to devote the land occupied by the insured crop to some other use (see case 1 of subsection A of section VII), Form FCI-267-C shall not be prepared until the land has actually been put to such other use. The appraised production of such acreage in these cases shall be entered in item 9 of Form FCI-267-C at the time loss is determined. The appraised production of any cotton which remains unharvested shall be shown in item 8 of Form FCI-267-C.

Where any one insured has varying interests in the crops raised on individual tracts comprising one listing sheet farm, his share of the total production of the individual tracts and of the entire production for the farm will be ascertained by the use of Form FCI-267A-C, and shall be entered on Form FCI-267-C, in total. Where Form FCI-267A-C has been prepared with respect to all individual tracts or producer units composing a listing sheet farm, the information shown thereon should be used in completing any other proof of loss or record of production prepared in connection with the farm. For this reason, the record of production shall be prepared first, and the information shown thereon used in the preparation of individual Forms FCI-267-C for other insured parties having an indemnity due with respect to the insured crop on the particular farm or insurance unit.

Inasmuch as the use of a large number of Forms FCI-267A-C is not anticipated, it has been deemed advisable not to have this form printed. However, a sample copy is provided on page 8 in order that uniform copies may be reproduced when needed.

An original and three copies of Form FCI-267-C shall be prepared, dated, and signed by the insured and the adjuster. If requested by the insured, the adjuster shall assist in the preparation of Form FCI-267-C. The last copy of Form FCI-267-C shall be left with the insured, the original and one copy shall be signed by the county committee

and forwarded to the State office, and the remaining copy shall be signed and filed in the county office.

A set of Forms FCI-267-C shall be prepared by the adjuster and submitted to the county committee in those cases where:

1. The insured is an absentee landlord, or
2. The insured is not present at the time of determination of the loss, but all the necessary information can be obtained by the adjuster, or
3. The adjuster and the insured cannot agree. If the adjuster and the insured cannot agree, a set of Forms FCI-267-C shall be furnished to the insured in order that he might set forth his claim thereon and forward this form to the county office.

In no event should the adjuster assist in the preparation of Form FCI-267-C in those cases where all or a part of the cotton crop is substantially totally destroyed and permission has been given to put the land to some other use, until such other use has been made of the land.

Form FCI-267-C shall not be forwarded to the State office unless all the related Forms FCI-219, covering the insured's interest in every insurance unit in the county in which such insured had an interest in the cotton crop at the beginning of the planting of such cotton crop, have previously been forwarded to the State office or are being forwarded with Form FCI-267-C.

Preparation of Form FCI-267-C.

Indicate the State and county code and the number of all applications on the insurance unit in the spaces provided.

Enter the 1942 farm serial number.

Enter the name and address of the insured which shall agree with the name appearing on Form FCI-219 in those cases where the person entitled to the indemnity is the person who had the interest in the cotton crop at the time of the beginning of planting of the cotton crop.

1. *Transfers of Interest After the Beginning of Planting.*—Where transfers of interest, occurring after the beginning of planting but before the beginning of harvest or time of loss, whichever occurs first, result in a division of the farm into *four or more* units, one Form FCI-267-C shall be submitted showing the names of all parties having an interest in the cotton crop. Where such division results in less than *four* units, *separate* Forms FCI-267-C shall be submitted for each interest.

Where there is a complete transfer of interest in the crop and Form FCI-221 has been executed and approved by the county committee on behalf of the Corporation, the name of the insured shall be the name of the transferee appearing on Form FCI-221.

Where there is a partial transfer of interest in the insurance contract, as indicated by Form FCI-

RECORD OF PRODUCTION ON FRACTIONAL PARTS
ON AN INSURED FARM

(State and county code)

(Numbers of all applications on
insurance units)

(Farm serial number)

Tract Identification	ACREAGE					PRODUCTION				
	No stand obtained	Harvested	Stand obtained not harvested	Put to other use with consent	Total	Lint cotton ginned	Lint cotton (estimated) from seed cotton, sold and on hand	Lint cotton unharvested. Appraised	Appraised lint from acreage put to other use with consent	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

ADJUSTMENTS TO PRODUCTION						Insured's interest	Insured's share of total production
War losses	Shift to longer staple	Other adjustments		Total adjustment to production	Total adjusted production		
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

221, one Form FCI-267-C shall be executed by the transferor and another Form FCI-267-C by the transferee, showing the respective interests in the cotton crop. However, where such transfer results in four or more interests, the instructions outlined above shall be followed.

2. *Insured is Deceased, Incompetent, or Has Disappeared.*—Where the insured is deceased, incompetent, or has disappeared, and a fiduciary is acting on behalf of the insured, the name of such fiduciary shall be inserted. If the insured dies, is judicially declared incompetent, or disappears before the time of loss or the time harvest is commenced, whichever occurs first, and his insured interest in the cotton crop is a part of his estate at the time of loss; or if the insured dies, is judicially declared incompetent, or disappears subsequent to such time, the indemnity, if any, shall be paid to the legal representative of his estate, if one is appointed or is otherwise duly qualified. If no such representative is or will be appointed, the indemnity shall be paid to the persons beneficially entitled to the insured's interest in the crop or to any one or more of such persons on behalf of all such persons; *Provided, however,* That if the indemnity exceeds 5,000 pounds of cotton, the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is appointed by the court, or is otherwise legally qualified.

Where Form FCI-267-C is signed by a person beneficially entitled to the indemnity, the county committee shall sign and attach a statement containing all the facts in the case.

Enter the application number of the insurance contract for which Form FCI-267-C is being submitted, the lint cotton insurance per acre, and the insured's interest in the crop as shown on Form FCI-219.

Where Form FCI-221 has been executed, the information shown on such form shall be used in arriving at the insured's interest.

PART I. ACREAGE

ITEM 1.—Enter in item 1 the acreage on which cotton was planted and from which no stand was obtained.

ITEM 2.—Enter in item 2 the acreage from which cotton has been harvested.

ITEM 3.—Enter in item 3 the acreage from which a stand was obtained but from which no cotton was harvested.

ITEM 4.—Enter in item 4 the acreage actually put to another use with the consent of the Corporation.

ITEM 5.—Enter in item 5 the total of the acreage under items 1, 2, 3, and 4. This acreage must agree with that shown on the related Form FCI-219. Where more than one Form FCI-267-C is submitted, the total of the acreages shown thereon shall agree

with the total of acreages shown on the related Form FCI-219.

PART II. COTTON PRODUCTION

ITEM 6.—Enter in item 6 the number of pounds of lint cotton ginned from the acreage shown in item 2 of part I. This item will include all cotton ginned including cotton harvested from acreage which the Corporation consented might be put to another use, but which was not put to another use by the insured and an actual yield was realized therefrom.

ITEM 7.—Enter in item 7 the amount of unginned cotton sold and on hand. The weight of lint cotton only shall be entered.

ITEM 8.—Enter in item 8 the appraised lint cotton unharvested in the field.

ITEM 9.—Enter in item 9 the appraised production from any acreage put to another use with the consent of the Corporation. Since the appraised yield will be considered as the actual yield for the purpose of computing the amount of loss, the adjuster should, therefore, be very careful in making his appraisal and should take into consideration any damage to the crop due to a cause not insured against.

ITEM 10.—Enter in item 10 the total net weight of lint cotton shown in item 6, 7, 8, and 9. This must include all production from acreage shown in item 5.

PART III. ADJUSTMENTS TO PRODUCTION

ITEM 11.—Enter in item 11 the cause and amount of any adjustment to production made as a result of difficulties experienced by the insured in obtaining labor, poison, machinery, repairs, etc., in accordance with paragraph A of section VIII. The entry to be made in the pounds column shall be taken from item 7 of Form FCI-266-C.

ITEM 12.—Enter in item 12 the percent representing the acreage shift to longer staple, lower yielding varieties, which was used in determining the amount of adjustment as a result of such shift in accordance with paragraph B of section VIII. The computed adjustment shall be entered in the "net pounds lint" column.

ITEMS 13 AND 14.—Enter in items 13 and 14 an explanation of any adjustments to production for causes set forth in paragraph C of section VIII, together with the amount of such adjustments.

ITEM 15.—Enter in item 15 the total amount of adjustments shown in items 11, 12, 13, and 14.

ITEM 16.—Enter in item 16 the total of the production shown in items 10 and 15. Reference may be made to the reverse side of Form FCI-267-C for instructions in connection with the entries to be made in items 1 to 16, inclusive.

PART IV. BASIS OF SETTLEMENT

ITEM 17.—Item 17 shall be obtained by multiplying the lint cotton insurance per acre times the total acreage shown in item 5 times the insured's interest in the crop. This shall agree with the total insured production shown on Form FCI-219, except in those cases where because of a transfer of acreage an insurance unit is divided into portions smaller than the original insurance unit and such portions are used for the settlement of indemnities.

ITEM 18.—Item 18 shall be obtained by multiplying the insured's interest in the crop and the adjusted total cotton production shown in item 16.

ITEM 19.—Enter in item 19 the result obtained by subtracting the insured's share of production shown in item 18 from the insured production shown in item 17.

ITEM 20.—Enter in item 20 the result obtained by multiplying the loss of lint on the insurance unit shown in item 19, by 19 percent.

ITEM 21.—Enter in item 21 the total of the loss of lint on the insurance unit shown in item 19 and the adjustment for loss of seed shown in item 20.

PART V. CAUSES OF DAMAGE TO TOTAL PRODUCTION

ITEMS 22, 23, AND 24.—Enter in items 22, 23, and 24 the primary, secondary, and other contributing cause or causes of damage to the total production for the farm or insurance unit. A list of the various causes of damage has been incorporated in the appendix for the guidance of the adjusters. In the spaces provided enter the cause of damage, the estimated percentage of contribution of each, and the approximate date of loss. The total of the column headed "Estimated percentage contribution" shall always total 100.

In case there has been damage caused by the act of a person or persons, the cause of damage and percent of contribution will be entered and a memorandum shall be prepared in triplicate, giving the facts in the case and the name of the person or persons responsible for the damage. The memorandum shall be signed by the adjuster and the original attached to the original Form FCI-267-C and the duplicate attached to the State office copy of Form FCI-267-C when such forms are forwarded to the State office. The triplicate copy shall be attached to the county office copy of Form FCI-267-C.

PART VI. SETTLEMENT

ITEM 25.—Enter in the space provided immediately above that provided for the signature of the insured, the amount of any unliquidated collateral assignment. If a collateral assignment has not

been executed, or if an assignment has been executed and liquidated, the entry shall be "none." If Form FCI-220, "Collateral Assignment," has been executed in connection with the insurance contract and the indebtedness due the assignee has not been fully liquidated, the original Form FCI-220 shall be executed in part III and shall accompany Form FCI-267-C. The amount shown in part III of Form FCI-220 shall agree with that shown in item 25 of Form FCI-267-C.

The county committee shall be responsible for obtaining the proper signature on Form FCI-267-C. To determine whether a signature has been properly affixed or whether a fiduciary signing in a representative capacity has authority to act in the capacity shown, the county committee shall be guided by the instructions set forth in ACP-16, "Instructions on signatures and authorizations." In those cases where the county committee is not absolutely certain that the person signing the form has authority to act, evidence of such authority shall be obtained and filed in the county office. However, Form FCI-2 shall not be used to obtain signatures.

ITEM 26.—This item is provided for the signature of the adjuster and for the date of the signature. The adjuster shall not sign before the insured. Accordingly, the date on which the adjuster signs shall not be earlier than the date on which the insured signs.

ITEM 27.—This item is provided for the signature of a county committeeman and for the date of the signature. The signature of the county committeeman in this item constitutes:

1. Certification that the signature appearing in item 25 has been affixed by the insured, or if the signature has been affixed by the person who signs as fiduciary or agent, that such fiduciary or agent has authority to act in the capacity shown;
2. Certification that the amount of the unliquidated collateral assignment (if an amount is shown in item 25) is the same as that shown in part III of the attached Form FCI-220; and
3. Approval of the claim for loss on behalf of the county committee.

Where two or more crop insurance farms in two or more counties have been combined into one farm for purposes of the agricultural conservation program, Form FCI-267-C shall be approved by the county committee for the county in which the combined farm is considered to be located for ACP purposes. A member of the county committee shall not sign item 27 unless items 25 and 26 have been signed by the insured and the adjuster, respectively, except in those cases where the insured and the adjuster have not reached an agreement as to the amount of the claim and separate forms FCI-267-C have been prepared. In these cases the county

committee shall certify as to the amount of the claim either by signing one of the Forms FCI-267-C or by attaching a memorandum indicating the number of pounds of cotton which the county committee believes should be paid.

In no event shall the signature of a member of the county committee be affixed to Form FCI-267-C in any case where all or a part of the cotton crop is substantially totally destroyed and permission has been given to put the land to some other use, until such other use has been made of the land.

ITEM 28.—This item is for use by the State committee and shall be left blank.

D. Supplemental and Suspended Forms FCI-267-C.

1. *Supplemental Forms FCI-267-C.*—If after Form FCI-267-C has been transmitted to the State office, it is necessary to make any material changes thereon, such revision shall be accomplished by the preparation of a supplemental Form FCI-267-C, or the preparation of Form FCI-2, "Agreement."

Where the insured has requested additional payment:

- (a) If the amount of loss claimed by the insured in item 21 of the Form FCI-267-C originally submitted, represents the total claim of the insured, it will not be necessary to prepare another Form FCI-267-C, as a statement setting forth all the reasons for making the additional payment signed by a member of the county committee will suffice.
- (b) If the amount of loss claimed by the insured in item 21 of Form FCI-267-C originally submitted does not include all of the supplemental claim, another Form FCI-267-C shall be submitted by the insured showing the additional amount claimed, or Form FCI-2 may be used in lieu of the supplemental Form FCI-267-C. All supplemental Forms FCI-267-C or Forms FCI-2 shall be listed on Form FCI-269, in accordance with section IX.

No supplemental claim for less than 25 pounds shall be submitted as such claim will not be honored and paid.

2. *Suspended Forms FCI-267-C.*—Forms FCI-267-C suspended by the State office will be held in the State office and Form FCI-2 will be transmitted to the county office to effect the necessary corrections and revisions. The State committee will delete the information from Form FCI-269 and insert the word "suspended" in the remarks column, retaining Form FCI-267-C in the State office file and forwarding Form FCI-2 to the county office to effect the necessary corrections and revisions.

After Form FCI-2 has been executed by the county office and the signatures of a member of the county

committee and, if necessary, the insured, have been affixed, Form FCI-2 shall be listed on supplemental Form FCI-269 in the manner outlined in section IX.

SECTION VIII. ADJUSTMENT TO PRODUCTION BECAUSE OF LOSSES FROM WARTIME SHORTAGES AND PRODUCTION OF LONG STAPLE COTTON

A. Losses from War Shortages.

Before adjusting losses of this type the adjuster and the county committee shall review the memorandum sent to county committees entitled, "Settlement of Indemnities Under the 1942 Crop Insurance Program for Losses Due to Shortages of Labor, Materials, and Equipment Resulting from War Conditions," and the letter to all insured producers on the same subject. In those cases where losses have resulted from difficulty in obtaining the usual amount and type of fertilizer, insect or parasite poisons, labor, machinery, repairs, or other essentials as a result of war conditions, it will be necessary for the adjuster to make the first two of the following determinations in all cases, and the third in some cases:

1. How much of the loss was due to shortages brought about by war conditions?
2. Was a reasonable effort made to obtain such material, labor, etc., and was every effort made?
3. The savings in cost (in dollars) of producing and harvesting the crop including not only the savings in cost of the materials, labor, etc., that could not be obtained, but also the savings effected in all subsequent operations as well.

In making the determination of the amount of loss due to wartime shortages, various methods may have to be used. If the crop could not be harvested due to lack of labor, an estimate of the amount of cotton that could not be harvested should be made. If there were no other causes of loss involved, the total computed loss would be the amount attributed to such wartime shortages. If there were other causes involved and no possible means is available of determining directly the amount of loss due to wartime shortages, the total computed loss may have to be apportioned between the different causes.

In determining whether a reasonable effort has been made to obtain essential materials, labor, etc., and whether every effort has been made, many factors will have to be considered, one of which will be the effort made by persons whose crops were not insured.

In making the determination of the savings in cost, the amount shall include the savings incurred by all persons who had an interest in the crop and not just the savings incurred by the insured himself. The savings in cost should be determined on the

basis of the average cost in the community. However, in those instances where the cost represents labor of members of the family who could not otherwise find or do not customarily seek gainful employment, the savings in cost may be considered smaller.

The commodity equivalent of the savings in cost should then be computed by dividing the savings in cost (in dollars) by 119 percent of the applicable cash equivalent price per pound. In the event the loss is adjusted after maturity of the premium note, the cash equivalent price as of maturity date of the note shall be used. In the event the loss is adjusted before the maturity date of the premium note, the cash equivalent as of the date the statement in proof of loss is signed by the insured shall be used.

If the insured has not made a reasonable effort to obtain the material, labor, etc., the loss due to war shortages to be entered in item 11 of Form FCI-267-C shall be the amount of loss caused by such war shortages. In the event the insured has made every effort to obtain such material, labor, etc., the loss due to war shortages to be entered in item 11 of Form FCI-267-C shall be the commodity equivalent of the savings in cost. In the event that a reasonable effort has been used to obtain such materials, labor, etc., but the county committee believes that such loss could have been avoided by further effort on the part of the producer, the committee should use its discretion in determining the amount of loss for war shortages somewhere between the two extremes established.

The above instructions are based on the assumption that the amount of the loss due to war shortages would be greater than the commodity equivalent of the savings in cost. If the loss due to war shortages is less than the commodity equivalent of the savings in cost, the amount of loss due to such causes shall be entered on item 11.

The adjuster shall insert in the space provided for "Remarks" on the adjuster's worksheet an explanation of any adjustment made under this provision, which shall include the amount of the savings in cost (in dollars) and the cash equivalent price used.

No loss shall be adjusted that involves an adjustment due to failure to obtain labor for harvesting cotton while such cotton still remains in the field and is available for harvest. The adjustment of loss in such cases shall be delayed until no possibility of harvesting the cotton exists. The insurance period for such contract will be automatically extended until such time as there is no possibility of harvesting the cotton.

B. Adjustment for Shifts to Longer Staple Cotton.

The following procedure will be used in determining adjustments to be inserted in item 12 of part III of Form FCI-267-C with respect to losses on farms or insurance units because of the planting in 1942

of lower yielding longer staple varieties of cotton.

For those farms or insurance units on which all of the acreage has been planted to varieties producing a staple $1\frac{1}{8}$ inches or longer during each of the years 1934-40, and approximately the same yielding variety is planted in 1942, no adjustment will be made.

Where varieties usually producing a staple shorter than $1\frac{1}{8}$ inches have been grown exclusively on a farm or insurance unit during the 7-year period 1934-40, and lower yielding varieties normally expected to produce staples $1\frac{1}{8}$ inches or longer are planted exclusively in 1942, the entry in item 12 of part III, of Form FCI-267-C shall be determined by multiplying the total acreage planted, times the lint cotton insurance per acre, times 15 percent.

Where the history of the farm includes some acreage planted to the longer staple varieties or where shifts to the longer staple varieties in 1942 include only a part of the acreage on a farm or insurance unit, it will be the duty of the county committee to determine the percentage of the change in acreage from the shorter to the longer staple varieties and to apply the percentage adjustment factor in accordance with the yield adjustment table shown below:

YIELD ADJUSTMENT TABLE

Percent shift	Percentage adjustment factor	Percent shift	Percentage adjustment factor
0	0	60	9.0
10	1.5	70	10.5
20	3.0	75	11.25
25	3.75	80	12.0
30	4.5	90	13.5
40	6.0	100	15.0
50	7.5		

In those cases where the shift is from varieties producing a staple shorter than $1\frac{1}{8}$ inches to varieties which produce longer than $1\frac{3}{8}$ inches, a reduction in yield greater than 15 percent can usually be expected. If the county committee determines that the adjustment should be greater than shown in the table above, the procedure set forth above shall be followed in making such adjustment.

In other cases shifts may be made from varieties normally producing staples $1\frac{1}{8}$ inches to extremely long staple varieties. Ordinarily a shift from varieties which produce a staple of $1\frac{1}{8}$ inches to a slightly longer staple variety would require no adjustment, but if the shift is to an extremely long staple variety such as $1\frac{1}{4}$ inches, the adjustment to production in item 12, part III of Form FCI-267-C should be determined in the same manner as for a shift from a staple of less than $1\frac{1}{8}$ inches to a variety producing $1\frac{1}{8}$ inches or longer.

C. Other Adjustments.

Adjustments to production, as outlined below, may be one or more of the following adjustments

to production, and such adjustments shall be entered in items 13 and 14 of Form FCI-267-C:

1. Where any acreage of cotton in excess of the maximum insurable acreage is put to another use with the consent of the Corporation, an adjustment of the number of pounds of cotton equal to the product of such acreage put to another use and the quantity of cotton by which the appraised yield per acre for such acreage is greater than the appraised yield per acre for the remaining acreage of the cotton crop.
No adjustment shall be made if the appraised yield per acre of the acreage disposed of is not greater than the appraised yield per acre for such remaining acreage of the cotton crop.
2. Where any acreage of cotton is not replanted to cotton in areas and under circumstances where it is customary to replant cotton, the number of pounds of cotton by which the actual production for such acreage is less than the product of such acreage and the lint cotton insurance per acre.
3. Where the actual production of cotton on any acreage is reduced in whole or in part by causes not insured against, including the use of such acreage for any purpose other than the production of cotton without the consent of the Corporation, the number of pounds of cotton by which the actual production for such acreage is less than the product of the acreage and the lint cotton insurance: *Provided, however, That with respect to any acreage on which there is a complete failure in yield due solely to a cause not insured against, such number of pounds shall not be less than the product of such acreage and the lint cotton insurance per acre.*
4. Where the actual production of cotton on any acreage is reduced in whole or in part because of failure to properly apply irrigation water to cotton in proportion to the water available for all irrigated crops in those cases where insurance was written on an irrigated basis, the number of pounds of cotton by which the actual production for such acreage is less than the product of the acreage and the lint cotton insurance per acre: *Provided, however, That with respect to any acreage on which there is a complete failure in yield due solely to causes not insured against, such number of pounds shall not be less than the product of such acreage and the lint cotton insurance per acre.*

No adjustment shall be made if no water was available for irrigation purposes on the

farm because of natural causes or if the amount of irrigation water available was insufficient, due to natural causes, for all the irrigated crops and the amount of water available was distributed among the irrigated crops so that as large a proportion of the acreage in the cotton crop was protected by irrigation water as the acreage of other crops under irrigation on the farm.

A natural cause is one arising from nature, such as insufficient rainfall, and should not be construed to include a loss due to defects or failure of the irrigation system such as: mechanical defects of irrigation pumps or wells, or failure of diversion headgates, irrigating laterals, or irrigating ditches.

If the loss in yield is due to mechanical defects or irrigation pumps or wells or failure of diversion headgates, irrigating laterals, or irrigating ditches, the county committee shall attach a memorandum to Form FCI-267-C setting forth a complete statement of facts with respect to those defects or failure of the irrigating system. This statement of facts shall indicate whether or not the failure of the irrigation system is due to neglect of the insured and if the cause of damage was beyond the control of the insured, the name of the person or persons responsible for the failure or defect of the irrigation system shall be specified. This memorandum shall be signed by a member of the county committee and approved by a representative of the State committee before the related Form FCI-267-C is submitted to the branch office. This statement is necessary in order that the Corporation may determine whether an assignment of rights of recovery should be obtained from the insured with the provisions of the insurance contract and section 16 of the 1942 Cotton Crop Insurance Regulations.

5. Where any acreage of cotton is planted on acreage of poorer than average quality and such planting was not the result of an established rotation, the number of pounds of cotton equal to the product of such acreage, the insured percentage and the number of pounds of cotton per acre representing the difference between the average yield established and the yield appraised on the basis of the quality of the land planted to cotton.

This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause.

6. Where any acreage of cotton is planted to a different variety of cotton than the variety considered in establishing the average yield or premium rate, and the Corporation's risk has been thereby increased, the number of pounds of cotton equal to the product of such acreage, the insured percentage and the number of pounds of cotton per acre representing the difference between the average yield established and the yield appraised on the basis of the variety of cotton planted.

This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause.

7. Where the Corporation's risk has been increased by the following of a different fertilizer or other practice than the practice considered in establishing the average yield or premium rate, the number of pounds of cotton equal to the product of such acreage, the insured percentage, and the number of pounds of cotton per acre representing the difference between the average yield established and the yield appraised on the basis of the practice followed.

This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause.

8. Where the Corporation's risk has been increased by the planting of the cotton crop under conditions of immediate hazard without adjustment of the average yield and premium rate to reflect such hazard, the number of pounds of cotton equal to the product of such acreage, the insured percentage and the number of pounds of cotton per acre representing the difference between the average yield established and the yield appraised on the basis of the immediate hazard at the time of planting.

This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause.

SECTION IX. FORM FCI-269, "1942 INDEMNITIES—TRANSMITTAL SHEET"

A. General.

It is essential that Forms FCI-267-C be completed and transmitted to the respective State officers as soon as possible after a loss is claimed by the insured as the insurance contract provides that Forms FCI-267-C shall be submitted not later than 30 days after loss, but in no event later than February 20, 1943, unless such time is extended in writing by the Corporation. Form FCI-269 shall accompany Form

FCI-267-C when they are transmitted to the State office for forwarding to the branch office of the Corporation.

Where Form FCI-267-C is submitted to the county office later than 30 days after loss, or later than February 20, 1943, as the case may be, a memorandum signed by the county committee shall be submitted with Form FCI-267-C stating the reason for the delay.

Forms FCI-267-C submitted to the county office, if acceptable, shall be listed and transmitted daily on Form FCI-269 in the proper numerical order, by application number and farm serial number. Under each farm serial number there shall be listed the information with respect to those Forms FCI-267-C being submitted for insurance units included in such farm and the insured executed a Form FCI-212A-C.

In those cases where the insured and adjuster cannot agree on the amount of loss and separate Forms FCI-267-C have been prepared by the insured and adjuster, and where the county committee has been unable to effect an agreement, such Forms FCI-267-C shall not be delayed in the county office but shall be listed on Form FCI-269, followed by a notation in column E, "Remarks," to indicate that separate Forms FCI-267-C are being submitted by both the insured and the adjuster.

B. Preparation of Form FCI-269.

The county committee shall prepare the original and three copies of Form FCI-269, inserting thereon the following information:

1. The State and county code.
2. The transmittal sheet number.

Each transmittal sheet shall be numbered consecutively, beginning with "1," for the first transmittal sheet, (Form FCI-269) for each county.

3. The date of preparation by the county committee.
4. In column A, in numerical order, the application numbers of the related Forms FCI-267-C.
5. In column B the farm serial number, in numerical order.
Under each farm serial number there shall be listed the Forms FCI-267-C with respect to the units operated by producers who executed Form FCI-212A-C.
6. In column C, the name or names of the insured, as shown on Form FCI-267-C.
7. In column D the loss claimed by the insured (lint and seed) as shown in item 21 of part IV of Form FCI-267-C.

In those cases where separate Forms FCI-267-C are submitted by the insured and the adjuster, the entry in column D for the Form FCI-267-C approved by the county committee shall be included in the

total. The entry for the remaining Form FCI-267-C shall be circled and shall *not* be included in the total.

Where supplemental Forms FCI-267-C or Forms FCI-2 are being submitted for additional payment, only the additional amount of loss claimed by the insured shall be inserted in column D.

8. Column D shall be totaled separately for each transmittal sheet, and the total shall not be carried forward from one Form FCI-269 to the next succeeding Form FCI-269.

Circled entries appearing in column D of Form FCI-269 shall not be included in the total figure to be entered at the bottom of column D.

9. Column E, "Remarks" provides for the insertion of any pertinent information such as "suspended in county office," "suspended in State office," "Form FCI-267-C submitted by both insured and adjuster," etc.

Where supplemental Forms FCI-267-C are being transmitted, the original transmittal sheet number shall be indicated.

10. A member of the county committee shall indicate his approval on Form FCI-269 by signing in the space provided.

Where more than one transmittal sheet is submitted to the State office on the same date, only the last transmittal sheet need be signed by the county committee. However, an insertion similar to the following shall be placed above the signature: "Transmittal sheets 3 to 7, inclusive."

C. Supplemental Forms FCI-269.

The county committee shall list all supplemental or suspended Forms FCI-267-C or Forms FCI-2 on a Form FCI-269 plainly marked "Supplemental," before transmitting such forms to the State office. In preparing Form FCI-269 for supplemental or suspended Forms FCI-267-C no transmittal sheet number shall be entered in the space provided at the top of Form FCI-269, but the transmittal sheet number upon which the original Form FCI-267-C was listed shall be inserted in the column headed "Remarks."

The distribution of the supplementary Forms FCI-267-C and the supplementary Forms FCI-269 shall be made in accordance with paragraphs D and E of section XII of this procedure.

SECTION X. FORM FCI-274, "CERTIFICATE OF INDEMNITY," AND FORM FCI-274-A, "REQUEST TO LIQUIDATE COMMODITY LOAN"

All indemnities will be paid by the issuance of Form FCI-274.

It should be noted that the expiration date of the certificate of indemnity shall be 15 days after the final date established for obtaining cotton loans

with respect to the 1942 cotton crop if such loans are made available by the Commodity Credit Corporation, or 90 days after the date of issuance of the certificate of indemnity, whichever is later. If any of the dates fall on other than a business day, the date of the next following business day shall apply.

A. Preparation of Form FCI-274 and Form FCI-274-A.

Form FCI-274 and Form FCI-274-A will be prepared in the branch office and forwarded to the insured. Where an application for loan from the Commodity Credit Corporation accompanies Form FCI-267-C, Form FCI-274 will be transmitted to the Commodity Credit Corporation with the application for loan, and the Form FCI-274-A, only, will be sent to the insured.

B. Use of Form FCI-274.

1. **TO OBTAIN CASH IN SETTLEMENT OF INDEMNITY.**—Where the insured wishes to obtain the cash in settlement of the indemnity, the insured shall sign in block 1 of Form FCI-274, and return such form to the branch office of the Corporation issuing same. The cash equivalent of the indemnity shall be the number of pounds of lint cotton specified in the certificate of indemnity, multiplied by the cash equivalent price per pound established on the basis of the price of cotton at the applicable spot market on the day Form FCI-274 is received in the branch office, or the expiration date of the certificate, whichever is earlier, and less a reasonable charge for storage and handling.

2. **TO PARTICIPATE IN THE COMMODITY CREDIT CORPORATION PROGRAM.**—Where the insured wishes to participate in the Commodity Credit Program, block 2 shall be signed by the insured and Form FCI-274 shall be transmitted to the Commodity Credit Corporation in accordance with the instructions furnished the county committee by the Commodity Credit Corporation. If there is an unliquidated collateral assignment, the commodity loan shall not be approved. If a collateral assignment has not been executed by the insured, or if executed and such collateral assignment has been released, the county committee shall certify to that effect in the box provided "For County Committee Use Only," on the face of the form.

3. **TO OBTAIN THE COMMODITY.**—Where the insured wishes to obtain warehouse receipts for all or a portion of the amount of indemnity shown on Form FCI-274 and the county committee has advised the insured that cotton is available, the insured shall, prior to the expiration date of the certificate, indicate in the space provided the quantity of cotton desired and shall sign in block 3 of Form FCI-274. Where the payment requested by warehouse receipt is less than the total amount of the indemnity, a Form FCI-274 will be prepared by the branch office showing the remaining indemnity, in

pounds, which is payable to the insured. Since all warehouse receipts are issued in bales, no indemnities in cotton shall be paid except in whole bales.

C. Liquidation of Commodity Credit Corporation Loan.

In those instances in which a loan has been obtained on the security of the original Form FCI-274 and the insured wishes to establish the cash equivalent in order to liquidate the loan, Form FCI-274-A, signed by the insured, must be transmitted to the branch office at any time during the period of the loan. In such instances the cash equivalent of indemnity will be established on the basis of the price in effect on the date the Form FCI-274-A is received in the branch office. However, such cash equivalent will be established and paid only if the amount thereof is sufficient to liquidate the indebtedness existing because of the loan. If the amount of the cash equivalent is not sufficient to liquidate the indebtedness, Form FCI-274-A will be returned to the insured.

In those instances in which the cash equivalent is to be established for the purpose of liquidating a loan, the original Form FCI-274 will be surrendered by the lending agency directly to the Corporation and it will be necessary only for the insured to sign Form FCI-274-A and transmit same to the branch office.

D. Lost or Destroyed Forms FCI-274 or FCI-274-A.

In the event a certificate is lost or destroyed a duplicate-original of Form FCI-274 will be issued by the branch office upon receipt of a request from the insured setting forth the facts and a certification by the county committee to the effect that Form FCI-274, originally issued, has not and will not be approved by them as collateral for a loan.

In those cases where Forms FCI-274 on which a loan has been approved, are lost or misplaced, the insured will be required to furnish an approved surety bond. The amount of the bond shall be equal to twice the value of the cash equivalent of the cotton represented by the Form FCI-274.

Where only Form FCI-274-A is lost, destroyed, or misplaced, a letter, signed by the insured containing the information shown on Form FCI-274-A will be accepted by the branch office.

E. Payment on Note.

The insurance contract provides that where a loan is secured on the basis of the certificate of indemnity prior to the time of maturity of the note executed in payment of the premium, that the note becomes due and payable on the date the application for the loan is presented to the county office. Therefore, it is necessary in those cases where application for a loan is received by the county committee on the basis of a certificate of indemnity, that the county committee determine the cash equivalent of the note on the basis of the price effective for the date the

application for the loan was received in the county office, and ascertain that the amount of the cash equivalent of such note be incorporated in the loan documents in such a manner that the said amount will be paid to the Federal Crop Insurance Corporation from the proceeds of the loan.

SECTION XI. SUMMARY OF INSURANCE DATA FOR FRACTIONAL PARTS OF A FARM

A. General.

The original and one copy of a form similar to the following shall be prepared showing the information for each and every farm on which an indemnity was approved for which Forms FCI-219 were prepared on the basis of fractional parts and on which insurance was carried on all such fractional parts comprising the farm. This form should be prepared even though the landlord or operator's share of the crop is not insured, and provides for a tabulation of the cotton acreage, the insured's interest in the crop applicable to each and every fractional part and indicating those fractional parts for which statements in proof of loss were submitted on the basis of fractional parts.

It will not be necessary to prepare this form in those cases where a transfer taking place after the beginning of the planting of the cotton crop results in a division of the farm into four or more fractional parts as indemnities in these cases shall be payable jointly to all persons having an interest in the crop at the time of the beginning of harvest or the time of loss, whichever is earlier. In such cases the form will be prepared if there are three or less fractional parts as indemnities in these cases shall be payable individually with respect to each fractional part.

The original of this form shall be forwarded with Form FCI-267-C to the State office for transmittal to the branch office of the Corporation, and the copy shall be retained in the office of the county committee.

B. Preparation of the Summary of Insurance Data for Fractional Parts of Farm.

The following information shall be inserted:

1. In the spaces provided in the heading of the form, the application number or numbers, together with the farm serial number.

2. In column A, the name of the insured as shown on Form FCI-219.

In those cases where transfers occur after the beginning of the planting of the cotton crop and such transfer results in a division into three or less fractional parts, the name of each person having an interest at the beginning of harvest or time of loss, whichever is earlier, shall be inserted in column A.

3. In column B, the tenure, such as landlord, operator, tenant, or cropper.

4. In column C, the tenant's or cropper's insured interest in the crop at the time of the beginning of harvest or time of loss, whichever is earlier.

5. In column D, the landlord's or operator's interest.

Where both the landlord and the operator have an interest in the crop worked by a cropper or tenant, two figures shall be entered in column D, one showing the interest of the landlord and the other showing the interest of the operator.

6. In column E, the acreage used for the computation of premium and the insured production as shown on Form FCI-219.

In those cases where transfers occur after the beginning of the planting of the cotton crop and such transfer results in a division into three or less fractional parts, the acreage shall be shown separately for each fractional part of the farm.

7. In column F, indicate the indemnity by inserting opposite the identification for such fractional part, the amount of loss claimed by the insured, and approved by the county committee, as shown in item 21 of Form FCI-267-C.

In making the entries indicated above, the landlord's or operator's interest shall be shown first and the information relative to the tenant or cropper shall be inserted on the succeeding line(s).

SUMMARY OF INSURANCE DATA FOR FRACTIONAL PARTS OF A FARM

Application Number(s) _____ Farm Serial Number _____

Name and other identification (A)	Tenure (B)	Insured's interest		Acreage (E)	Indemnity (F)	For branch office use (G) (H)	
		Tenant (C)	Landlord (D)				

(This form will not be printed but may be reproduced in the county office as needs require.)

C. Preparation of a List of Farms Insured on the Basis of Fractional Parts on Which No Loss Was Claimed.

As soon as possible after the completion of the work in connection with loss adjustments in the county office, an original and one copy of a listing shall be prepared showing the farm identification (Farm Serial Number) and the number of fractional parts for each farm. This list shall include only farms for which Forms FCI-219 were prepared on the basis of fractional parts and on which insurance

was carried on all fractional parts comprising the farm.

The original of the listing shall be forwarded to the State office for transmittal to the branch office of the Corporation, and the copy shall be retained in the office of the county committee.

SECTION XII. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure:

- A. Form FCI-108, "Notice of Transfer, Harvest, Removal, or Other Use of ----- Crop."
Original executed by the insured and sent to the office of the county committee.
- B. Form FCI-63, "Inspection Report."
Original (white) retained in the county office files.
Copy (green) forwarded to the State office.
- C. Form FCI-266-C, "Adjuster's Work Sheet."
Original (white) attached to county office copy of Form FCI-267-C, and retained in the county office files.
Copy (green) attached to the State office copy of Form FCI-267-C, and forwarded to the State office.
- D. Form FCI-267-C, "Statement in Proof of Loss."
Original (white) forwarded to State office for transmittal to the branch office.
Copy (green) forwarded to the State office.
Copy (pink) retained in the county office files.
Copy (yellow) given to the insured.
Form FCI-267-C, "Statement in Proof of Loss," shall not be forwarded to the State office unless the related Forms FCI-219, covering the insured's interest in every insurance unit in the county in which such insured had an interest in the cotton crop at the beginning of the planting of the crop have previously been forwarded to the State office or are being forwarded with Form FCI-267-C.
- E. Form FCI-269, "1942 Indemnities—Transmittal Sheet."
Original (white) to be transmitted by the State office to the branch office.
Copy (green) to be filed in the State office.
Copy (yellow) to be transmitted by the State office to the branch office.
Copy (pink) to be retained in the county office.
- F. Form FCI-274, "Certificate of Indemnity."
Original (white) directly to the insured.
Copy (pink) directly to the insured. (Form FCI-274-A)

Copy (orange) forwarded to the State office for forwarding to the county office.

Copy (yellow) retained in the branch office.

CAUSES OF DAMAGE TO THE TOTAL PRODUCTION

In order that the Causes of Damage to the Total Production entered in part V of Form FCI-267-C may be properly classified and recorded by the Corporation, the following list of causes is set forth for the guidance of the adjusters. This list is to be used as a general guide, but additional terms describing causes of damage should be used by the adjuster when needed. Specific terms should be used and general terms avoided in describing the causes of damage, whenever possible.

Insurance losses due to:

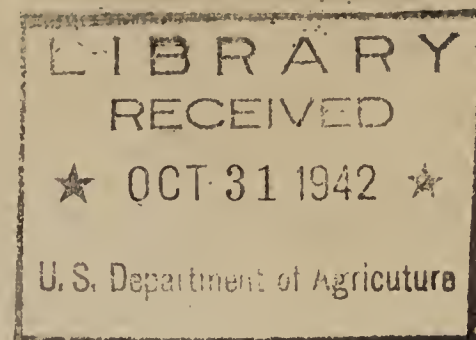
1. Damage to quality (grade, staple, character).
2. Delay in harvesting due to negligence.
3. Failure or inability to plant or replant in those areas where replanting is general or customary or is considered a good farming practice.
4. Damage to seed cotton after weighing in at the gin.
5. Theft or negligence.
6. Improper preparation of seedbed.
7. Failure to use water supply for irrigation.
8. Use of poor seed.
9. Poor farming practices.

The following causes are generally insured against:

Drought.	Cut worm.
Hail.	Army worm.
Heat.	Diseases (not identified).
Flood.	Foot rot, root rot.
Hot winds.	Animals (not identified).
Excessive moisture.	Stock.
Blown out.	Miscellaneous (not identified).
Frost.	Lightning.
Excessive moisture and drought.	Weeds (not identified).
Water erosion.	Wilt.
Lack of sufficient water on irrigated land.	Boll weevil.
Crusted soil.	Fleas.
Rotting seed.	Fire.
Insects (not identified).	

Form FCI-301-C
County Yield and Rate Procedure
Tentative July 22, 1942

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Tentative
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COUNTY YIELD AND RATE PROCEDURE
1943 COTTON CROP INSURANCE

UNITED STATES DEPARTMENT OF AGRICULTURE
U.S. FEDERAL CROP INSURANCE CORPORATION
Washington, D. C.

SECTION I. GENERAL

In determining 1943 average yields per acre and premium rates per acre for individual farms, it will be necessary first to obtain certain figures for each of the cotton farms in the county..

1. The factored yield and premium rate for the farm for the 1942 program as approved for use on the 1943 Cotton Listing Sheet, (see section II).
2. The cotton yield per planted acre for the farm for the crop year 1941, (see section IV). This 1941 crop yield will be used in computing the 1943 average farm yield, and will also serve as a basis for determining the crop loss experience for the farm for the year 1941. This loss experience will be used in computing the premium rate for the farm for the 1943 Cotton Crop Insurance Program.

It is important that great care be used in obtaining these figures for each cotton farm in the county as it is contemplated that the yields and premium rates determined in accordance with this procedure will be used as a basis for determining yields and premium rates for future years.

SECTION II. REEXAMINATION AND REVISION OF 1942 YIELDS
AND PREMIUM RATES

A. Yield and Premium Rate Review

The county committee assisted by the community committees should review the yields and premium rates as established for use in connection with the 1942 program to determine if the yield and premium rate for each farm listed is representative and is equitable as compared with other farms in the county. In making this review, the community committees should be consulted as these men will probably know of any particular cases in which either the yield or the premium rate for the farm does not properly represent the yield experience and the loss experience for the individual farm. Consideration should also be given to a comparison of yields and premium rates of similar farms, and to other farms in the immediate vicinity. The county committee should further determine if the differences between the averages of the farm yields and farm premium rates by communities properly reflect the actual differences in production and loss experience between these communities.

Following this review the county committee shall estimate the approximate number or percentage of farms in the county on which yields should be revised, and the approximate number or percentage of farms on which premium rates should be revised, and submit these estimates to the state committee. In the meantime, the state committee and a representative of the Federal Crop Insurance Corporation will analyze the 1942 Cotton Listing Sheets to determine if the yields and premium rates show the distribution which should be expected in the county. The county committee will be advised if the overall condition of the listing sheets is such that the yields and premium rates as established are generally acceptable for use in connection with the 1943 listing sheet work.

B. Kind and Extent of Revisions That May Be Necessary

1. Complete Revisions

If the county committee determines that a relatively large number of the yields or premium rates for farms in the county should be revised, or if the state committee notifies the county office that the general distribution of yields and premium rates is not acceptable for use on the 1943 Cotton Listing Sheets, the 1942 farm yields and premium rates shall be relisted, and revisions made where necessary.

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In order to save time and expense in preparing the 1942 revised listing sheets, county offices will be furnished with Form FCI-203C-R, which is a photocopy of the 1942 Cotton Listing Sheets, with columns 1-14, inclusive, and the columns showing the 7-year average loss cost and preliminary calculated premium rate for historical farms, reproduced, and the remaining columns left blank. The county committee shall review the farms which were used as key farms and shall select such additional key farms as may be necessary in order to obtain a more representative group of farms from which appraisals may be made. It will not be necessary to prepare new "Farm Work Sheets," Form FCI-202-C, as the data on the original work sheets, in most cases, will be satisfactory. However, the county committee should review the historical data on the Forms FCI-202-C and in those cases in which they determine that the historical data listed are not representative of the farm because of a material change in farming operations, or for any similar reason, the farm may be considered as a non-historical farm and the yield and premium rate appraised. It is anticipated that few historical farm yields and premium rates will need revision.

If the county committee determines that the historical data are not applicable, the computed yield entered in column 14 and the computed premium rate entered in column 20, of Form FCI-203C-R, shall be deleted and a yield and premium rate appraised in accordance with the procedure for other appraised farms.

Any farms which were not listed on the original or supplemental listing sheet but which have 1942 regular or new grower allotments established shall be listed at the end of each community, and an average farm yield and premium rate appraised.

It will not be necessary to submit the listing sheets to the state office for preliminary approval of the historical farms. Immediately after the historical farms have been reviewed and revised where necessary, the county committee should proceed with the appraisal work for all other farms in the county. Appraisals shall be made in accordance with the procedure given in section III of Form FCI-201-C, "1942 County Yield and Rate Procedure."

In making these appraisals, extreme caution should be used to establish a yield and premium rate for each farm for which history is inadequate or not available, which is representative of the farm for the 7-year period, 1934-40. No consideration should be given to the yield per acre of the farm in 1941, as this figure will be incorporated into the 1943 average yield

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on the 1943 listing sheet, and to give consideration at this time to that yield would, in effect, be giving a double weight to the 1941 yield per acre. The committee should not attempt to appraise farm yields in order that the weighted average of all the yields will approximate the county check yield. This is especially true in those counties in which the check yields are based on the 13-year or 17-year county average, as all farm yields are based on the 7-year actual or appraised average, and will be factored to the 1942 check figure.

The appraised yield shall be entered in column 15 and the appraised premium rate entered in column 21 of Form FCI-203C-R. The ACP farm serial number of the farm used as the basis for appraisal shall be entered in column 18. Extensions of yields and premium rates shall be obtained and entered in columns 17 and 23, respectively. The appropriate factor for yields and premium rates shall be determined in accordance with instructions in Form FCI-201-C, and the preliminary yields and premium rates factored to the 1942 county check figures. No reserves need be set up at this time. Final factored yields and premium rates shall be entered in columns 16 and 22, respectively.

In making these complete revisions it will not be necessary to compute the minimum premium rate for the farm, the premium rate for lint and seed, the lint cotton insurance per acre, or the 50-percent premium rate. The county committee should give particular attention to the appraisal of yields and premium rates on those farms for which an appeal has been filed, in order that a representative yield and premium rate for each of these farms will be obtained.

Frequency distribution charts of yields and premium rates for historical farms, and for appraised farms shall be prepared in the county office in accordance with instructions in Form FCI-201-C, "1942 County yield and Rate Procedure." If a sample of the farms is used, care should be taken to use different farms than were used in the charts prepared for the yields and premium rates for the 1942 Crop Insurance Program. These charts will be used by the state committee and the representative of the Federal Crop Insurance Corporation for consideration and approval of the revised yields and premium rates for use on the 1943 Cotton Listing Sheets.

The distribution of yields and premium rates for the historical farms and the distribution for appraised farms should be similar, or if different, such difference should be explained adequately by the county committee in an accompanying memorandum.

2. Minor Revisions

If the county committee determines that only a relatively small number of yields or premium rates on individual farms should be revised and the state committee has advised the county committee that the distribution of yields and premium rates is generally satisfactory for use on the 1943 Cotton Listing Sheets, only the yields and rates for those farms which the county committee determines are in error should be revised and listed on the form for listing minor revisions.

In these cases in which a complete relisting of the listing sheets is not necessary, and only a relatively small number of yields or premium rates are being revised, such revisions shall be listed on a form similar to the form shown on page 5. This form shall be prepared in triplicate, and all copies submitted to the state office for approval of the revised yields and premium rates by the state committee and a representative of the Federal Crop Insurance Corporation. Upon approval, one copy will be returned to the county office for use in preparing the 1943 Cotton Listing Sheets.

For each farm on which either the yield or both yield and premium rate is being revised, enter the 1942 ACP farm serial number, the 1942 cotton acreage allotment, the 1942 original factored yield, the 1942 recommended revised yield, the extension for the original yield, the extension for the revised yield, the 1942 original factored premium rate for lint cotton only, the 1942 recommended revised premium rate for lint cotton only, the extension for the original premium rate, and the extension for the revised premium rate. In all cases, revision of yields or premium rates shall be made on the basis of final factored figures.

If only the yield for a farm is being revised, the original factored premium rate not being revised should be entered in column 7 and the same premium rate entered in column 8. If only the premium rate is being revised, the acreage allotment for such farms shall be circled. The original yields should be entered in column 3, but no entries need be made in columns 4 to 6, inclusive.

In revising these yields and premium rates, certain precautions should be taken by the county committee in order that the revisions will be acceptable to the state committee and the Federal Crop Insurance Corporation. Changes in yields and premium rates should be offsetting to a large extent if approximately the same county average is to be maintained. The county committee should also avoid the tendency to appraise yields toward the county average.

State and county code :

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State and county

Form for Listing Farm Yields or Premium Rates
for Use on 1943 Cotton Crop Insurance Listing Sheets

Farm No.	1942 cotton acreage allotment	1942 original yield	1942 revised yield	Extension for original yield (col. 2 X col. 3)	Extension for revised yield (col. 2 X col. 3)	1942 original rate (lint)	1942 revised rate (lint)	Extension for original rate (col. 2 X col. 7)	Extension for revised rate (col. 2 X col. 8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TOTALS									

Approved:

date

date

date

County Committee

State Committee

Branch Office

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It is expected that on the average, approximately the same number of yields will fall in each yield group following the revisions as fell there prior to revisions. This requirement is not necessarily applicable to premium rates. However, section V of this procedure provides for reducing the wide spread between high and low premium rates.

Following the completion of these revisions, totals shall be obtained for all the 1942 cotton acreage allotments listed in column 2 and a subtotal of the unencircled acreage allotments. Totals of the yield extensions and premium rate extensions in columns 5, 6, 9, and 10, shall be obtained for each of the sheets, and on the last sheet a grand total shall be entered. In the blocks below columns 5, 6, 9, and 10 shall be entered the difference between the new extensions and the original extensions for both yields and premium rates.

Those farms for which yields and premium rates have not been established on the 1942 Cotton Listing Sheets shall be listed on separate sheets for this tabulation, identified at the top as "New Farms," and a recommended final yield and final premium rate for lint cotton only appraised for each of these farms. For these cases, only columns 1, 2, 4, 6, 8, and 10 of this tabulation shall be completed.

C. Factoring

If 1942 farm yields and premium rates are entirely relisted, it will be necessary to factor to the 1942 check figures in accordance with the instructions in Form FCI-201-C. In those counties in which partial revisions are made, no factor need be applied, unless the totals of the extensions of the new yields and new premium rates differ from the totals of the extensions of the original yields and original premium rates to such an extent as to materially affect the final factoring on the 1943 Cotton Listing Sheets. When factoring is necessary in such cases, all farm yields shall be factored to the 1942 county check yield, and all farm premium rates shall be factored to the 1942 county check premium rate.

D. Approval

The 1942 yields and premium rates as revised must be approved by the state committee and a representative of the Federal Crop Insurance Corporation before they are used in preparing the 1943 Cotton Listing Sheets. Even though no changes are made in the yields and premium rates as approved for the 1942 Crop Insurance Program, an approval will be required before they are used to determine the 1943 yields and premium rates.

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SECTION III. COMBINATION AND SUBDIVISION OF FARMS

A. Listing of Combined or Subdivided Farms

Data for farms which have been combined or divided for the Agricultural Conservation Program since the 1942 listing sheets were completed, or which may need to be combined or divided for the Agricultural Conservation and Crop Insurance Programs prior to listing for 1943, shall be listed on a form labeled "Record of Reconstituted Farms," similar to the form shown on page 11.

This record shall be prepared in triplicate by the county office as soon as the 1942 yields and premium rates have been revised and approved for use on the 1943 Cotton Listing Sheets, and all copies submitted to the state office for examination and approval by the state committee and a representative of the Federal Crop Insurance Corporation. Immediately upon approval, one copy of this record will be returned to the county office for use in preparing the 1943 Cotton Listing Sheets. Separate records shall be prepared for farms being divided, and farms being combined. In those cases in which a combination is effected of subdivided parts, the subdivision shall be shown on the record of subdivided farms and the combination of these parts shown on the record of combined farms, if possible.

The ACP farm number of the parent farms shall be entered in column 2 of the record of reconstituted farms. The final factored yield for the parent farm as approved for use on the 1943 Cotton Listing Sheet shall be entered in column 4. The final factored premium rate for lint cotton insurance only as approved for use on the 1943 Cotton Listing Sheet shall be entered in column 8. The premium rate for lint cotton insurance shall be adjusted by the application of an increase or decrease factor, if applicable, and the adjusted premium rate shall be entered in column 9. If no adjustment is applicable, the figures in column 8 shall be entered in column 9.

If the parent farm as listed is being subdivided, a rate increase factor determined in accordance with method I of section 35 of the 1942 Cotton Crop Insurance Regulations shall be applied to the farm rate. If the parent farms are being combined into a new farm and four or more units are being combined, a rate decrease factor shall be applied to the factored premium rates of each farm being combined before the combination is effected. This rate decrease factor shall be determined from the number of units being combined, in accordance with the following table:

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Number of units combined	Rate decrease factor
4	95
5	94
6	93
7	92
8	91
9	90
10	89
11	88
12	87
13	86
14	85
15	84
16	83
17	82
18	81
19 or more	80

B. Numbering of Reconstituted Farms

Farms resulting from a combination or division shall be numbered in accordance with instructions issued by the Regional Director of the Agricultural Adjustment Agency, and the new number entered in column 1.

C. Combinations

In case of combinations, the acreages of the parent farms shall be entered in column 3, and the totals of these acreages indicated. The average yield for the combined farm shall be determined by dividing the sum of the original yield extensions for the parent farms by the total of the acreages used for weighting and shall be entered in column 5. The yield extensions for the original yields shall be entered in column 6. The premium rate extensions for the original farms shall be entered in column 11. The premium rate for the new farm shall be obtained by dividing the sum of the extensions of the adjusted premium rates of the parent farms by the acreage used for weighting, and shall be entered in column 10.

D. Subdivisions

In cases of subdivisions, reconstituted acreage for each of the subdivided farms shall be entered in column 3, and the totals of such acreages entered. The county committee shall appraise an average yield, and a premium rate for each of the subdivided units. Enter in column 7 the extension for the appraised yield weighted by the reconstituted acreage, and enter in column 12 the extension of the appraised premium rates weighted by the reconstituted acreage.

The weighted average of the yields for the new farms shall not exceed the yield of the parent farm, nor shall the weighted average of the premium rates for the new farms be less than the premium rate of the parent farm, increased by the applicable increase factor.

E. Combination of Subdivided Units

In cases of combinations of subdivided units, in which a part of a farm is combined with one or more farms or parts thereof, a complete record of the reconstitutions shall be shown; i.e., the parent farm shall be subdivided in accordance with the procedure given in subsection D and then the combination of the part or parts effected in accordance with the procedure for combinations as given in subsection C. However, if the acreage allotment of the subdivided farms is not available, the farm numbers of the farms being reconstituted shall be entered in column 2, the original acreage used for weighting entered in column 3, the original yield entered in column 4, the original premium rate entered in column 9, and the extensions of the yields and premium rates, weighted by the original acreages entered in columns 6 and 11, respectively. The ACP farm serial numbers of the reconstituted farms shall be entered in column 1, and the acreage allotments of the new farms entered in column 3. The county committee shall appraise an average yield and premium rate for each of the reconstituted farms, and enter in columns 7 and 12 the extensions for the yields and premium rates, respectively, weighted by the acreage allotments of the new farms. The weighted average of the yields for the reconstituted farms shall not exceed the weighted average of the yields for the parent farms, nor shall the weighted average of the premium rates for the new farms be less than the weighted average of the premium rates for the parent farms.

RECORD OF RECONSTITUTED FARMS

New Farm No.	Parent Farm No.	Acreage Used For Weighting	Average Yield (factored)		Average Yield Extension		Premium Rate (factored)			Premium Rate Extension	
			Original	New	Original (3x4)	New (3x5)	Original (lint cotton only)	Original with increase or decrease factor applied	New rate	Original (with factor applied) 3 x 9	New 3 x 10
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
TOTALS	XX		XXX	XXX			XXX	XXXX	XXXX		

SECTION IV. 1941 CROP YIELDS

The use under this procedure of the 1941 crop yield for the individual farm in computing the 1943 average farm yield and farm premium rate makes it necessary that the county committee give careful consideration to its accuracy and applicability for insurance purposes. This yield data should be available for practically all farms on which cotton was planted for harvest in 1941. It will be necessary to appraise a 1941 crop yield per planted acre for those farms listed on the 1943 Cotton Listing Sheet on which no cotton was planted in 1941, or on which the actual 1941 crop yield is not applicable, or available.

A. Actual 1941 Crop Yield Per Planted Acre

The 1941 marketing quota records which the county committee has approved and entered on the ACP farm work sheet shall be used as the source of the 1941 crop yield for the farm, except where adjustments are made as outlined in subsections B or C of this section.

B. Actual 1941 Crop Yield Adjusted for a Spot Loss

If the 1941 crop yield was materially reduced by a cause of loss considered as a spot loss (as defined in the 1942 Cotton Crop Insurance Regulations), the county committee may adjust the yield giving consideration to what the farm would have produced had such a spot loss not occurred. For purposes of the 1943 program, adjustments made for spot losses shall be limited to crop damage caused by hail. Losses other than from hail shall not be considered spot losses unless approved in advance by the state office and the Federal Crop Insurance Corporation. In each case for which an adjustment is made for a spot loss, a work sheet shall be prepared in triplicate and shall be signed by a member of the county committee showing the basis of the county committee's determination of the adjusted 1941 crop yield. This work sheet shall be prepared on a form similar to that shown below and two copies shall be submitted to the state office with the 1943 Cotton Listing Sheets. The yield as adjusted shall be considered as the 1941 crop yield for insurance purposes, and when entered on the 1943 listing sheet shall be circled.

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WORK SHEET FOR "SPOT LOSSES"
1941 CROP YEAR

County

State

1942 ACP farm serial number

Name of owner or operator

1. Actual 1941 crop yield (as shown on ACP farm work sheet) _____
2. Final factored yield for farm appearing on the 1942 listing
sheet as approved for use in the 1943 program (column 8,
Form FCI-303-C) _____
3. Yield the 1941 crop would have produced had the spot loss
not occurred (determine from knowledge of the crop or
from the 1941 yield on a similar farm). _____
4. Cause of loss _____

If cause of loss is other than hail, explain fully _____

Remarks:

Date

Committeeman

C. Appraised 1941 Crop Yields

It is anticipated that there will be a relatively small number of appraised 1941 crop yields. Appraisals will be necessary for those farms on which no cotton was planted in 1941, for those farms for which the 1941 crop yield is not representative of the production on that farm because the crop was planted on a small or unrepresentative acreage, and for those farms which were reconstituted before listing on the 1943 Cotton Listing Sheet and the actual 1941 crop yield is not available. In these cases the county committee shall select a similar farm preferably in the same community for which the 1941 crop yield has been approved, and shall appraise the 1941 yield per planted acre on the basis of the 1941 yield for the similar farm. In making this appraisal the county committee should give consideration to any knowledge which they may have of the production on the farm in 1941, if cotton was planted. The yield thus appraised shall be entered and circled on the 1943 Cotton Listing Sheet. The ACP farm serial number of the farm used as a basis of appraisal shall be entered and circled after the name in column 5.

Where there is no particular difference between the farms for which the 1941 yields are appraised and the farms for which actual 1941 yields are available, the appraised yields should average about the same and have approximately the same variations as do the actual yields. It is expected that where an appreciable number of appraisals are made, the average of the 1941 losses for this group of farms should approximate the average of the 1941 losses on the farms for which actual yields are available. There should be no material difference between the yield and loss pattern for appraised farms as compared with the yield and loss pattern of farms for which actual yields are available.

In the event cases arise where the county committee has appraised the yield for a farm because the 1941 crop yield for that farm is not considered representative due to the fact that the crop was planted on a small or unrepresentative acreage, a memorandum shall be prepared in triplicate and signed by a member of the county committee, explaining why the actual 1941 crop yield for the farm was not considered applicable. One copy of this memorandum shall be retained on file in the county office in case any question arises in the future as to the reason for the action taken by the county committee, and the original and one copy submitted to the state office with the 1943 Cotton Listing Sheets.

SECTION V. DETERMINATION OF 1943 AVERAGE FARM YIELDS
AND PREMIUM RATES

A. General

Only data for American Upland cotton will be placed on the listing sheets unless further instructions are received from the state committee.

The 1943 preliminary average farm yield will be determined by averaging the 1942 average farm yield (as approved for use on the 1943 Cotton Listing Sheet), with the 1941 crop yield for the farm, giving a weight of 9 to the 1942 average farm yield and a weight of 1 to the 1941 crop yield.

Under this method, if the 1941 crop yield for a farm is zero, the 1943 preliminary average farm yield will be 10 percent less than the 1942 average farm yield (as approved for use on the 1943 Cotton Listing Sheet). It follows, therefore, that the increase in average yield for any farm should be limited to 10 percent. This limitation on increase will apply only when the 1941 crop yield is more than twice as great as the 1942 average farm yield. It is anticipated that in future years the preliminary average yield without the limitation will be used in computing the average yield for the farm, thus incorporating gradually the entire 1941 production into the farm yield.

In establishing the farm premium rate for the 1942 program the average loss experience for the farm was given a weight of 3 and the county check rate was given a weight of 1. Studies which have been made indicate that in many instances there is a wide difference between premium rates of similar farms, due in part to losses which occurred on some farms during the 7-year period, 1934-40, but which did not occur on other similar farms. Certain types of such losses could occur on any farm in future years. Accordingly, it is felt that because of the short period used in computing farm yields and loss costs, too much weight was given to the farm loss experience and not enough weight given to the county loss experience. A more equitable relationship between farm premium rates and a more accurate measure of the risk on each farm will be obtained by giving equal weight to the average loss experience for the farm and the average loss experience for the county, or the county check premium rate. Therefore, the 1943 farm premium rate will be based on equal weight for the farm loss experience and the 1943 county check rate, unless the county committee receives prior approval from the state office and the Federal Crop Insurance Corporation to retain the same method of weighting as was used in 1942.

The 1943 farm premium rate will be based on the 1942 farm premium rate and the 1941 crop loss experience. As a change in the average farm yield will affect the risk involved in insuring the farm, further adjustment will be made in the farm premium rate to offset this change in risk.

As numerous computations would be necessary to determine the 1943 farm premium rate from the 1941 loss experience and the 1942 farm premium rate, adjusted for change in weighting and for change in yield, tables I, II, and III will be supplied from which the 1943 preliminary farm premium rate may be determined readily.

Table I shows the 1943 premium rate for the farm prior to adjustment for loss experience in 1941. This rate is determined from the 1942 farm premium rate and the absolute change between the 1942 factored farm yield and the 1943 preliminary average yield. The rate read from this table includes the adjustments for change in weighting and change in average yield. Table II gives the 1941 loss per planted acre. In those cases in which a loss occurred in 1941, there shall be added to the figure read from table I an amount equal to 5 percent of the 1941 loss, which amount is shown in table III. The figure resulting from this addition is the 1943 preliminary premium rate for the farm, adjusted for loss in 1941.

In order to prevent the farm premium rates from increasing too rapidly due to adverse conditions in 1941, the maximum 1941 loss experience which will be used to determine the 1943 farm premium rate is 100 pounds. This limitation is incorporated in table III.

Procedure for determining average yields and premium rates for fractional parts of a farm will be included in the 1943 County Application Procedure.

B. Preparation of 1943 Cotton Listing Sheet, Form FCI-303-C

The 1943 Cotton Listing Sheet shall be prepared in the county office. All entries on the listing sheet shall be made with medium or coarse pen-point in jet black ink, or on the typewriter. A satisfactory photocopy cannot be made when blue or blue-black ink is used.

If the work to be done in connection with the factoring of yields and premium rates is done in the state office, it will not be necessary for the county office to complete columns 12 to 15, inclusive, and columns 21 to 29, inclusive. If the county offices are requested by the state offices to do the work in connection with the factoring, the county office shall complete the listing sheet in accordance with instructions in this subsection.

1943 COTTON LISTING SHEET

1942 A.C.P. farm serial number	1943 A.C.P. farm serial number if differ- ent than col. (1)	Practice	1943 crop insurance appli- cation number	A. C. P. Identifying Name or Name of Operator	Cotton acreage allotment 1942 1943	1942 final yield (fac- tored)	1941 crop yield per planted acre	1943 pre- limin- ary average yield	1943 yield lim- ited	1943 final yield (fac- tored)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

1943 yield appeal ap- proved	Yield Extension	1943 lint cotton insur- ance per acre	1942 fac- tored farm rate (lint)	Pre- liminary 1943 yield minus 1942 final yield	1943 premium rate unadjusted for loss in 1941	1941 loss per acre	Pre- liminary 1943 rate adjusted for 1941 loss (lint)	1943 fac- tored rate	Minimum rate	Rate appeal	Final rate (L. & S.)	Premium rate extension
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)

50-PERCENT INSURANCE

1943 lint cotton insurance per acre	1943 pre- mium rate (lint)	Minimum premium rate (lint)	1943 final premium rate (lint & seed)
(26)	(27)	(28)	(29)

- Column 1. Enter the 1942 ACP farm serial number. All farms for which a regular or new grower cotton acreage allotment was established in 1942, except those farms known to be ineligible for regular allotments in 1943, shall be listed on Form FCI-303-C. The listing should be done by ACP communities and within the community the farms shall be listed in order from the lowest to the highest number. However, in those areas in which it is not customary to list by ACP communities, the farms may be listed numerically for the county as a whole. In those cases in which it will be necessary to have two listings for the farm as provided for in sections VIII and IX of this procedure, the ACP farm serial number should be entered twice.
- Column 2. In those cases in which the 1943 ACP farm serial number is different from the 1942 ACP farm serial number, enter the 1943 farm serial number. If the 1942 farm serial number is the same as the 1943 farm serial number, no entry need be made in this column. The 1943 farm serial numbers shall be entered, when necessary, at the same time 1943 cotton acreage allotments are listed.
- Column 3. If yields and premium rates for some farms have been determined which will be applicable only if certain practices are followed in 1943, a letter shall be entered in this column which shall identify the applicable practice. In cases of irrigation and in cases where rates have been established for additional hazard due to flood, this identifying letter shall be entered in accordance with instructions in sections VIII and IX of this procedure.

In the event of a loss claimed under the insurance contract, the county committee must determine if a different fertilizer or other practice had been followed on the farm than was considered in establishing the yield and rate for the farm, and if the practice which was followed results in a greater risk to the Corporation, an adjustment in the indemnity must be made. To serve as a guide in making this determination, it is desirable that the county committee indicate in this column on the listing sheet if the yield and rate established for the farm is applicable only if a fertilizer or other particular practice is followed.

In those cases in which the county committee determines that the yield and rate established for the farm in 1943 is applicable only if a fertilizer practice is followed, the letter "F" shall be entered in this column. In the event most of the farms in the county follow a certain practice, this may be shown in the heading of this column rather than for each farm. In those cases in which this method is used, and a particular farm has a yield and premium rate established which is not applicable for the practice indicated, an identification shall be entered to show this fact. For example, if the heading of the column shows fertilizer practice and a particular farm on the listing sheet should not have this designation, the entry in this column should be "NF".

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- Column 4. This column should be reserved for use in entering the 1943 cotton crop insurance application number when an application is submitted.
- Column 5. Enter either the ACP identifying name or the name of the operator. If the name of the operator is entered, the 1943 farm operator should be shown if such information is available; otherwise, enter the name of the 1942 operator. The same method of listing should be followed for all farms in the county.
- Column 6. Enter the 1942 cotton crop acreage allotment.
- Column 7. Enter the 1943 cotton acreage allotment when it is available. It is not necessary to have this information before the listing sheets are approved.
- Column 8. The 1942 final factored farm yield shall be entered in this column. In those cases in which minor revisions were made in 1942 farm yields for use on the 1943 listing sheet, the revised figures shall be entered from column 4 of the form for listing minor revisions, and from column 5 of the record of reconstituted farms, before other transcriptions are made from column 16 (or column 17 if an appeal has been approved) of the Forms FCI-203-C. In those cases in which the 1942 yields and premium rates were relisted, this figure shall be entered from column 16 of Form FCI-203C-R, after the yields appearing in column 5 of the record of reconstituted farms are entered.
- Column 9. Enter the 1941 actual or appraised crop yield for the farm, as determined in accordance with the instructions given in section IV. If this yield is appraised or revised, this entry shall be circled.
- Column 10. The 1943 preliminary average yield for the farm shall be computed by multiplying the 1942 factored yield (column 8) by 9, adding to this product the 1941 yield per acre (column 9) and dividing the total by 10. Enter the result in this column. Table IV, showing the value of 9 times the 1942 factored yield is included in this procedure.
- Column 11. If the 1943 preliminary average yield for the farm (column 10) is more than 10 percent greater than the 1942 final factored yield (column 8), enter in this column the 1943 preliminary average yield limited, which is 110 percent of the 1942 average farm yield. Strike out the entry in column 10 by drawing a line through it, but using care that the figure remains legible. This limitation is applicable only in those cases in which the 1941 crop yield is more than twice as great as the 1942 factored yield.

- Column 12. The entry to be made in this column shall be obtained by multiplying the 1943 preliminary average yield as shown in column 10, or 11 if applicable, by the factor determined in accordance with the instructions given in section VI.
- Column 13. This column shall be used only when a yield appeal is approved by the county committee, state committee and the Federal Crop Insurance Corporation.
- Column 14. Enter in this column the product obtained by multiplying the 1943 preliminary average yield, as shown in column 10, or 11 where applicable, by the acreage used for weighting, as given in column 6 (or column 7, if available).
- Column 15. Enter in this column 75 percent of the 1943 final factored yield, as shown in column 12.
- Column 16. Enter the 1942 factored farm premium rate for lint cotton insurance only (as approved for use on the 1943 Cotton Listing Sheet). In those cases in which minor revisions were made, the revised premium rates appearing in column 8 of the form used for listing minor revisions and in column 10 of the record of reconstituted farms shall be entered in this column before other data are transferred from column 23 (or column 25 if an appeal has been approved) of Form FCI-203-C. In those cases in which the 1942 yields and premium rates were relisted, the entry for this column shall be obtained from column 22 of Form FCI-203C-R after the premium rates appearing in column 10 of the record of reconstituted farms are entered.
- Column 17. Subtract the 1942 final factored yield, (column 8), from the 1943 preliminary average yield, (column 10, or 11 if applicable), and enter the difference in this column. If there is no difference enter a zero. When the 1943 preliminary average yield is less than the 1942 final factored yield, this difference should be preceded by a minus sign. It is necessary that the minus sign be shown in all applicable cases, as this figure will be used in determining the premium rate for the farm.
- Column 18. Enter in this column the amount read from table I, based on the 1942 factored farm premium rate for lint cotton only (column 16) and the difference between the 1943 and 1942 farm yields (column 17). Instructions for reading this table are on the table itself.
- Column 19. Enter in this column the 1941 loss per planted acre, which is determined by subtracting the 1941 crop yield from 75 percent of the 1943 preliminary average yield. This value can be read from table II. The 1943 preliminary average yield (column 10) (rounded to the nearest 5 pounds) shall be read from the scale on each side

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of this table, and the 1941 crop yield (column 9) (rounded to the nearest 5 pounds) shall be read from the scale across the top of the table. The resulting reading shall be entered in this column. If there was no loss in 1941, enter a zero.

- Column 20. Add five hundredths (.05) of the 1941 loss per acre as read from table III to the figure in column 18, and enter the resulting figure in this column. If the 1941 loss per acre is 100 pounds or more, add only 5 pounds to the entry in column 18. If there was no loss in 1941 transfer the entry from column 18 to column 20.
- Column 21. Enter in this column the factored premium rate for lint cotton insurance only, which shall be the entry in column 20, adjusted by the factor determined in accordance with the instructions given in section VI.
- Column 22. Enter the minimum premium rate for all farms which shall be 4 pounds plus 2 percent of the final factored yield as given in column 12, or if that yield is less than 100 pounds, 6 percent of the final factored yield. Table V, giving these values, is included in this procedure.
- Column 23. This column shall be used only when a premium rate appeal is approved by the county committee, the state committee and the Federal Crop Insurance Corporation; then the approved premium rate shall be entered.
- Column 24. Enter in this column the final premium rate for lint and seed, determined by increasing the premium rate for lint cotton only as shown in column 21 or 22, whichever is greater, by twenty percent (20%) to provide for insurance against loss in cottonseed, as explained in section VII. Table VI, showing the premium rate for lint and seed, is included in this procedure.
- Column 25. Enter in this column the product of the 1943 preliminary farm premium rate, as given in column 20, multiplied by the acreage used for weighting, as given in column 6 (or column 7, if available).
- Column 26. Enter the lint cotton insurance per acre for 50-percent insurance, determined by multiplying the entry in column 12 by 50 percent.
- Column 27. Enter the 50-percent premium rate for lint cotton only, determined by multiplying the factored premium rate, as shown in column 21, by the county factor for 50-percent insurance, given in the actuarial tables.

Column 28. Enter in this column the minimum premium rate for 50-percent insurance, which shall be $1/3$ of the entry shown in column 22. Table VII from which this entry may be made is included in this procedure.

Column 29. Enter in this column the final premium rate for lint and seed for 50-percent insurance which shall be determined by increasing the entry in column 27 or 28, whichever is greater, by twenty percent (20%) to provide for insurance against loss in cottonseed, as explained in section VII. This entry can be determined from table VI.

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SECTION VI. FACTORING OF AVERAGE YIELDS AND PRELIMINARY
PREMIUM RATES TO MEET COUNTY CHECK FIGURES

Factoring will be done in the county office only when requested by the state committee. Therefore, this section of the procedure applies only to counties which have been requested to do the work in connection with factoring.

A. Factoring Average Yields

After the average yields and preliminary premium rates have been established for all farms, they shall be factored to meet the county check yield and county check premium rate shown for the county in the actuarial tables. The computation of the yield revision factor and the rate revision factor shall be shown on the last sheet for the county, below the county totals.

If the 1943 cotton acreage allotments are available and entered in column 7 of the listing sheet when this work is done, these figures should be used in determining extensions for yields and premium rates. However, if the 1943 allotments are not available, the 1942 cotton acreage allotments shall be used for this purpose.

The preliminary average yield in column 10, or 11 if applicable, shall be multiplied by the acreage used for weighting for each farm as shown in column 6, or 7 if available, and the result, known as the yield extension, shall be entered in column 14. The total of the yield extensions and of the acreages used for weighting shall be obtained for all farms in the county, and page totals entered on each page. (If a calculating machine is used that will accumulate extensions, it will not be necessary to enter yield extension for each farm, but merely the column total at the bottom of each page, provided this method is approved in advance by the state committee.) Enter the county totals below the last entry on the last sheet.

The total of the yield extensions for all farms in the county shall be divided by the total of the acreage used for weighting. The result will be the weighted average of the yields for all farms on the listing sheets for the county, and shall be rounded to the nearest tenth of a pound.

If the county weighted average yield, as computed above, differs from the county check yield by more than .5 pound, it will be necessary to adjust the yields of individual farms by applying a percentage factor or a flat adjustment. A percentage factor shall be used unless advance approval is obtained from the state

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committee and the Federal Crop Insurance Corporation to use a flat adjustment. As a rule, the flat adjustment should be used only in those cases in which there is a wide difference between the weighted average yield and the county check yield, and there is an adequate distribution of farm yields in the county.

The percentage factor to be used is determined by dividing the county check yield by the weighted average of the listing sheet yields and carrying the result to at least three decimal places. When computing the factor a reserve for appeals and corrections of errors should be created by deducting from the county check yield a figure not greater than one pound (unless a larger deduction is authorized in advance by the state committee). Any unused portion of this reserve shall not be redistributed to farms in the county. The following is an example of computing a percentage factor:

Example of Computing Percentage Factor Under
the Following Conditions:

Weighted average of preliminary average yields	=205.0
Check yield less reserve or 200 - 1.0	=199.0
199.0 divided by 205.0	= .971

If the flat adjustment method were used in the example above, six pounds would be deducted from each farm yield.

After the factor has been determined, it shall be applied to the yield for every farm as shown in column 10, or 11 if applicable, and the result entered in column 12.

B. Factoring Premium Rates

The preliminary premium rate for 75-percent insurance for each farm shown in column 20 shall be multiplied by the acreage used for weighting in column 6, or 7 if available, and the result, known as the rate extension shall be entered in column 25. The total of the premium rate extensions shall be obtained for all farms in the county, and page totals entered on each page. (If a calculating machine is used that will accumulate extensions, it will not be necessary to enter the extension for each farm, but merely the column total at the bottom of each page, provided this method is approved in advance by the state committee.) Enter the county totals below the last entry on the last sheet.

The total of the premium rate extensions for all farms on the listing sheets shall be divided by the total of the acreage used for weighting

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in the county. The result will be the weighted average of the preliminary premium rates for 75-percent insurance (lint cotton only) and shall be rounded to the nearest tenth of a pound.

If the county average of the preliminary premium rates differs from the county check premium rate, it will be necessary to adjust the premium rates of individual farms by applying a factor. This factor shall be a flat adjustment unless prior approval of the use of a percentage factor is obtained from the state committee and the Federal Crop Insurance Corporation.

The flat adjustment is obtained by finding the difference, either plus or minus, between the check premium rate and the weighted average of the preliminary premium rates, which adjustment shall be added to or subtracted from the preliminary premium rate for each farm in the county.

When computing the factor a reserve for appeals and corrections of errors should be created by adding to the county check premium rate for 75-percent insurance a figure not greater than 0.3 pound (unless a larger reserve is authorized in advance by the state committee). Any unused portion of this reserve shall not be redistributed to farms in the county. The following is an example of computing a flat adjustment:

Example of Computing Flat Premium Rate Adjustment
Under the Following Conditions:

Weighted average of preliminary premium rates	= 12.6 Lbs.
Check premium rate plus reserve or $12.7 + 0.3$	= 13.0 "
$13.0 - 12.6$	= +0.4 "

If the percentage factor is used, it shall be obtained by dividing the county check premium rate plus reserve by the weighted average of the preliminary premium rates on the listing sheets. The result shall be carried to not less than three decimal places, and in the example above is 1.032.

After the factor has been determined, it shall be applied to the preliminary premium rate of each farm shown in column 20, and the result, carried to tenths of a pound, entered in column 21.

The total of the 1941 loss per acre (column 19), shall be entered at the bottom of each page, and the county total entered below the last entry on the last sheet. Also enter in column 1 below the last entry on the last sheet the total number of farms listed in the county.

SECTION VII. INCREASE IN THE PREMIUM RATES TO PROVIDE
FOR INSURANCE AGAINST LOSS OF COTTONSEED

The amendment to the Federal Crop Insurance Act providing for insurance of cotton crops contains the following subsection relative to insurance against loss of cottonseed:

"Sec. 508. To carry out the purposes of this title the Corporation is authorized and empowered . . . (e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates."

All indemnities on the 1943 cotton crop will be increased by a percentage computed in accordance with the above provision of the Act. Likewise, all premiums on the 1943 cotton crop will be increased by the same percentage. Therefore, the premium rates for 75-percent insurance will be the larger of the entries in column 21 or 22, increased by twenty percent (20%), which represents the additional premium necessary for insurance against loss of cottonseed. The result shall be entered in column 24. If an appeal is approved, the new rate in column 23 will be increased by twenty percent (20%) and entered in column 24. Similarly, the premium rate for 50-percent insurance will be the larger of the entries in column 27 or 28 increased by the same percentage and the result entered in column 29. The final rate (for lint and seed) shall be rounded to one decimal place.

SECTION VIII. SPECIAL PRACTICE PROCEDURE FOR IRRIGATION

A. Irrigated and Nonirrigated Parts of the Same Farm

If cotton is produced on both irrigated and nonirrigated portions of the same farm, average yields and premium rates shall be established for each practice. The same method of listing which was followed in preparing the 1942 Cotton Listing Sheet shall be followed, in preparing the 1943 Cotton Listing Sheet. That is, two lines rather than one shall be used for the farm, listing on one of the lines the 1942 farm yield and premium rate for the irrigation practice, and on the other line the 1942 farm yield and premium rate for the nonirrigation practice. Enter in column 3 of the 1943 Cotton Listing Sheet the letter "I" to designate irrigation and the letters "NI" to designate nonirrigation. The cotton acreage allotment for the farm that is to be used for weighting purposes shall be apportioned between the irrigated and nonirrigated practice on the basis that the county committee determines to be the normal relationship between the irrigated and nonirrigated plantings in recent years. A 1943 calculated yield and premium rate shall be established for each practice in accordance with the instructions of section V of this procedure. The 1941 crop yield per planted acre to be used in computing the 1943 average yield and premium rate, shall be appraised by the county committee for each practice on the basis of the production on the farm in 1941 and other information available to the county committee. If only one practice was followed in 1941, the 1941 crop yield per acre for the practice followed will be entered on the listing sheet and the yield per acre for the practice not followed shall be appraised by the county committee in accordance with instructions given in section IV for appraisal of 1941 crop yields.

B. Cotton Acreage Irrigated in Some Years and Not in Others

The 1942 County Yield and Rate Procedure provided that if the cotton acreage on the farm is irrigated in some years and not irrigated in others, the farm shall be listed twice on the listing sheets and average yields and premium rates established for each practice. Where this method of listing was used on the 1942 Cotton Listing Sheets, the same method shall be used on the 1943 Cotton Listing Sheets and the 1943 yield and premium rate per acre for each practice shall be determined in accordance with the instructions given in subsection A above. In those counties in which separate listing sheets were prepared for irrigated farms and nonirrigated farms, separate listing sheets shall be established for the 1943 program for irrigated farms and nonirrigated farms and the 1943 farm yield and premium rate computed in accordance with the instructions given in section V of this procedure.

SECTION IX. DETERMINATION OF AVERAGE YIELDS AND PREMIUM
RATES FOR ACREAGE ON THE RIVERSIDE OF THE LEVEE

In those cases where it is a practice to plant a part of the cotton crop on the farm on the riverside of the levee which results in an increased hazard on that portion of the crop, two premium rates shall be established for the farm; one rate for the riverside of the levee, and one for the entire farm without regard to loss from flood on the riverside of the levee. In those cases in which a premium rate was established for land on the riverside of the levee for the 1942 program, the 1943 yield and premium rate for the entire farm shall be based on the 1942 yield and premium rate established for the entire farm without regard to loss from flood on the riverside of the levee. The 1941 crop yield per planted acre which is to be incorporated to obtain the 1943 farm yield and premium rate shall be the actual yield on the farm unless the crop was damaged by flood on the riverside of the levee. In case of such damage, the 1941 crop yield per planted acre shall be appraised by the county committee, consistent with the yield on the landside of the levee, but disregarding loss in production which was due to flood on the riverside of the levee.

To obtain a rate applicable to the area on the riverside of the levee, consideration must be given to the past frequency of floods during the growing season which damaged or would have damaged the cotton crop so planted, and if conditions have changed, the probability of flood damage in the future. In giving consideration to frequency of floods as long a period as possible should be used. For example, if it is established that such floods have occurred about once in each 10 years, the rate for this portion of the farm should be, in addition to the preliminary farm premium rate, the coverage (75 percent of the average yield) divided by 10; if the floods have occurred about once in each 5 years, the rate should be the preliminary farm premium rate plus $1/5$ the coverage, etc. When such cases occur, two lines will be used for the farm on the listing sheet, the first showing the yield and rate for the entire farm and the second showing only the yield and rate for land on the riverside of the levee. The letter "R" shall be entered in column 3 of Form FCI-303-C on the line used for listing that portion of the farm on the riverside of the levee. The yield may be the same on both. In determining the premium rate extensions the total acreage for the farm will be applied to the "farm" rate, and the rate for the additional hazard from planting on the riverside of the levee will not be used. However, the same factor will be applied to this rate as is applied to all other premium rates in the county.

If the entire acreage for the farm is on the riverside of the levee, two rates shall be established for the farm, one reflecting the rate that would be charged without the flood hazard and the other a rate that would be charged including the flood hazard. The rate established which does not include the flood hazard shall be used only for determining the extensions for factoring purposes.

If the entire acreage of the farm is on the landside of the levee, but all or a portion of the farm is nevertheless sufficiently subject to flood to create an additional hazard, the provisions of this section should be applied.

SECTION X. SUPPLEMENTAL LISTING SHEETS

A. Counties in Which Regular Listing Sheets Have Been Prepared

Supplemental listing sheets, Form FCI-303-C, will be prepared at a later date for new farms on which permitted acreage will be established for the 1943 crop and for any other cotton farms not included on the regular listing sheets for which yields and premium rates need to be established. This listing sheet should be marked "Supplemental Farms for 1943" at the top of the listing sheet. The supplemental listing sheet shall be transmitted to the state office in the same manner as the regular listing sheets within two days after the closing date for establishing permitted acreages or at such earlier time as about 20 farms have been listed.

The yields and premium rates for such farms shall be established by appraising a final yield and premium rate for lint cotton only for each farm, basing such appraisal on the final factored yield and factored premium rate (for lint cotton insurance only,) of a similar farm. The yield shall be entered in column 12 and the premium rate entered in column 21 for 75-percent insurance and in column 27 for 50-percent insurance.

B. Counties in Which Regular Listing Sheets Have Not Been Prepared

If, for any reason, there are counties where yields and premium rates have not been established for any of the cotton farms in the county, the county committee shall establish average yields and premium rates only for those farms for which applications for insurance are received. The average yields and preliminary premium rates for such farms shall be established by appraisal, and will not be factored. However, in no case shall the appraised yield exceed the 1943 Agricultural Conservation Program yield established for the farm. In no case shall the premium rate be lower than the county check premium rate unless warranted by unusual circumstances, in which event a memorandum shall be submitted with the listing sheet justifying such lower rate.

C. Adjustment in Premium Rates

Provisions covering minimum premium rates, premium rates for 50-percent insurance and increase in premium rates for insurance of cottonseed shall apply to both subsections A and B of this section.

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SECTION XI. TRANSMITTAL OF FORM FCI-303-C AND RELATED
MATERIAL TO THE STATE OFFICE FOR APPROVAL

As soon as the listing sheets are completed to the satisfaction of the county committee, approval of the committee shall be indicated by signature of a member of the county committee in the appropriate block of sheet number 1. (If the factoring is done in the state office rather than in the county office, the sheets may be returned by the state office to the county office for approval of the final yields and premium rates and the signature of the county committee; or, the county committee may approve the sheets before they are transmitted to the state office to be factored.) The listing sheets and other related material should then be transmitted to the state office for approval by the state committee and a representative of the Federal Crop Insurance Corporation. The following material shall be included in the transmittal:

1. The listing sheets, Form FCI-303-C.
2. Form FCI-203C-R, in those counties in which complete relisting was made of the 1942 Cotton Listing Sheets.
3. Two copies, each dated and signed by a member of the county committee, of memoranda covering the following cases:
 - a. The ACP farm numbers of the farms on which the county committee revised the 1941 crop yield, and the reason in each case.
 - b. Work sheet for spot losses.
 - c. Any other explanatory remarks.

(Listing sheets should be wrapped in flat packages.)

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SECTION XII. NOTICE OF FARM YIELD AND PREMIUM RATE
FOR INSURANCE PURPOSES

After the approved copy of Form FCI-303-C has been received from the state office, the county committee shall mail to each operator a Form FCI-324-C giving information relative to the farm yield and premium rate established for insurance purposes.

A copy of this notice shall also be mailed to each nonoperating owner who is entitled to a share in the cotton crop.

If no appeal is received within fifteen days after notices have been mailed, the county committee shall assume that the farm yield per acre and premium rate are satisfactory. Appeals shall be handled in accordance with the procedure for appeals and corrections.

SECTION XIII. MISCELLANEOUS

A. Rounding

All rounding processes shall be performed in the following manner:

Carry the computation to one digit beyond the digit that is to be rounded. If the extra digit computed is 1, 2, 3, or 4 round downward. If the extra digit computed is 6, 7, 8, or 9 round upward. If the extra digit computed is 5, it will be necessary to carry the computation to still another digit. Then if the two extra digits are 50, the rounding shall be downward. Ignore all figures beyond the two extra digits. If the two extra digits are 51 or any higher figure, the rounding shall be upward. The following table shows certain examples:

The computation	Rounded figure
13.44	13.4
13.550	13.5
13.551	13.6
13.96	14.0

TABLE OF 9 TIMES AVERAGE YIELDS

(To be used in determining the 1943 preliminary average farm yield)

Yield	0	1	2	3	4	5	6	7	8	9
50	450	459	468	477	486	495	504	513	522	531
60	540	549	558	567	576	585	594	603	612	621
70	630	639	648	657	666	675	684	693	702	711
80	720	729	738	747	756	765	774	783	792	801
90	810	819	828	837	846	855	864	873	882	891
100	900	909	918	927	936	945	954	963	972	981
110	990	999	1,008	1,017	1,026	1,035	1,044	1,053	1,062	1,071
120	1,080	1,089	1,098	1,107	1,116	1,125	1,134	1,143	1,152	1,161
130	1,170	1,179	1,188	1,197	1,206	1,215	1,224	1,233	1,242	1,251
140	1,260	1,269	1,278	1,287	1,296	1,305	1,314	1,323	1,332	1,341
150	1,350	1,359	1,368	1,377	1,386	1,395	1,404	1,413	1,422	1,431
160	1,440	1,449	1,458	1,467	1,476	1,485	1,494	1,503	1,512	1,521
170	1,530	1,539	1,548	1,557	1,566	1,575	1,584	1,593	1,602	1,611
180	1,620	1,629	1,638	1,647	1,656	1,665	1,674	1,683	1,692	1,701
190	1,710	1,719	1,728	1,737	1,746	1,755	1,764	1,773	1,782	1,791
200	1,800	1,809	1,818	1,827	1,836	1,845	1,854	1,863	1,872	1,881
210	1,890	1,899	1,908	1,917	1,926	1,935	1,944	1,953	1,962	1,971
220	1,980	1,989	1,998	2,007	2,016	2,025	2,034	2,043	2,052	2,061
230	2,070	2,079	2,088	2,097	2,106	2,115	2,124	2,133	2,142	2,151
240	2,160	2,169	2,178	2,187	2,196	2,205	2,214	2,223	2,232	2,241
250	2,250	2,259	2,268	2,277	2,286	2,295	2,304	2,313	2,322	2,331
260	2,340	2,349	2,358	2,367	2,376	2,385	2,394	2,403	2,412	2,421
270	2,430	2,439	2,448	2,457	2,466	2,475	2,484	2,493	2,502	2,511
280	2,520	2,529	2,538	2,547	2,556	2,565	2,574	2,583	2,592	2,601
290	2,610	2,619	2,628	2,637	2,646	2,655	2,664	2,673	2,682	2,691
300	2,700	2,709	2,718	2,727	2,736	2,745	2,754	2,763	2,772	2,781
310	2,790	2,799	2,808	2,817	2,826	2,835	2,844	2,853	2,862	2,871
320	2,880	2,889	2,898	2,907	2,916	2,925	2,934	2,943	2,952	2,961
330	2,970	2,979	2,988	2,997	3,006	3,015	3,024	3,033	3,042	3,051
340	3,060	3,069	3,078	3,087	3,096	3,105	3,114	3,123	3,132	3,141
350	3,150	3,159	3,168	3,177	3,186	3,195	3,204	3,213	3,222	3,231
360	3,240	3,249	3,258	3,267	3,276	3,285	3,294	3,303	3,312	3,321
370	3,330	3,339	3,348	3,357	3,366	3,375	3,384	3,393	3,402	3,411
380	3,420	3,429	3,438	3,447	3,456	3,465	3,474	3,483	3,492	3,501
390	3,510	3,519	3,528	3,537	3,546	3,555	3,564	3,573	3,582	3,591
400	3,600	3,609	3,618	3,627	3,636	3,645	3,654	3,663	3,672	3,681
410	3,690	3,699	3,708	3,717	3,726	3,735	3,744	3,753	3,762	3,771
420	3,780	3,789	3,798	3,807	3,816	3,825	3,834	3,843	3,852	3,861
430	3,870	3,879	3,888	3,897	3,906	3,915	3,924	3,933	3,942	3,951
440	3,960	3,969	3,978	3,987	3,996	4,005	4,014	4,023	4,032	4,041
450	4,050	4,059	4,068	4,077	4,086	4,095	4,104	4,113	4,122	4,131

County Yield and Rate Procedure
Table IV (Cont'd.)

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Yield	0	1	2	3	4	5	6	7	8	9
460	4,140	4,149	4,158	4,167	4,176	4,185	4,194	4,203	4,212	4,221
470	4,230	4,239	4,248	4,257	4,266	4,275	4,284	4,293	4,302	4,311
480	4,320	4,329	4,338	4,347	4,356	4,365	4,374	4,383	4,392	4,401
490	4,410	4,419	4,428	4,437	4,446	4,455	4,464	4,473	4,482	4,491
500	4,500	4,509	4,518	4,527	4,536	4,545	4,554	4,563	4,572	4,581
510	4,590	4,599	4,608	4,617	4,626	4,635	4,644	4,653	4,662	4,671
520	4,680	4,689	4,698	4,707	4,716	4,725	4,734	4,743	4,752	4,761
530	4,770	4,779	4,788	4,797	4,806	4,815	4,824	4,833	4,842	4,851
540	4,860	4,869	4,878	4,887	4,896	4,905	4,914	4,923	4,932	4,941
550	4,950	4,959	4,968	4,977	4,986	4,995	4,004	5,013	5,022	5,031
560	5,040	5,049	5,058	5,067	5,076	5,085	5,094	5,103	5,112	5,121
570	5,130	5,139	5,148	5,157	5,166	5,175	5,184	5,193	5,202	5,211
580	5,220	5,229	5,238	5,247	5,256	5,265	5,274	5,283	5,292	5,301
590	5,310	5,319	5,328	5,337	5,346	5,355	5,364	5,373	5,382	5,391
600	5,400	5,409	5,418	5,427	5,436	5,445	5,454	5,463	5,472	5,481
610	5,490	5,499	5,508	5,517	5,526	5,535	5,544	5,553	5,562	5,571
620	5,580	5,589	5,598	5,607	5,616	5,625	5,634	5,643	5,652	5,661
630	5,670	5,679	5,688	5,697	5,706	5,715	5,724	5,733	5,742	5,751
640	5,760	5,769	5,778	5,787	5,796	5,805	5,814	5,823	5,832	5,841
650	5,850	5,859	5,868	5,877	5,886	5,895	5,904	5,913	5,922	5,931
660	5,940	5,949	5,958	5,967	5,976	5,985	5,994	6,003	6,012	6,021
670	6,030	6,039	6,048	6,057	6,066	6,075	6,084	6,093	6,102	6,111
680	6,120	6,129	6,138	6,147	6,156	6,165	6,174	6,183	6,192	6,201
690	6,210	6,219	6,228	6,237	6,246	6,255	6,264	6,273	6,282	6,291
700	6,300	6,309	6,318	6,327	6,336	6,345	6,354	6,363	6,372	6,381
710	6,390	6,399	6,408	6,417	6,426	6,435	6,444	6,453	6,462	6,471
720	6,480	6,489	6,498	6,507	6,516	6,525	6,534	6,543	6,552	6,561
730	6,570	6,579	6,588	6,597	6,606	6,615	6,624	6,633	6,642	6,651
740	6,660	6,669	6,678	6,687	6,696	6,705	6,714	6,723	6,732	6,741
750	6,750	6,759	6,768	6,777	6,786	6,795	6,804	6,813	6,822	6,831
760	6,840	6,849	6,858	6,867	6,876	6,885	6,894	6,903	6,912	6,921
770	6,930	6,939	6,948	6,957	6,966	6,975	6,984	6,993	7,002	7,011
780	7,020	7,029	7,038	7,047	7,056	7,065	7,074	7,083	7,092	7,101
790	7,110	7,119	7,128	7,137	7,146	7,155	7,164	7,173	7,182	7,191
800	7,200	7,209	7,218	7,227	7,236	7,245	7,254	7,263	7,272	7,281
810	7,290	7,299	7,308	7,317	7,326	7,335	7,344	7,353	7,362	7,371
820	7,380	7,389	7,398	7,407	7,416	7,425	7,434	7,443	7,452	7,461
830	7,470	7,479	7,488	7,497	7,506	7,515	7,524	7,533	7,542	7,551
840	7,560	7,569	7,578	7,587	7,596	7,605	7,614	7,623	7,632	7,641
850	7,650	7,659	7,668	7,677	7,686	7,695	7,704	7,713	7,722	7,731

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TABLE OF MINIMUM PREMIUM RATES
for 50-percent insurance

Minimum Rate 75% Insurance	0	1	2	3	4	5	6	7	8	9
2.0	.7	.7	.7	.8	.8	.8	.9	.9	.9	1.0
3.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3
4.0	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6
5.0	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9	1.9	2.0
6.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3
7.0	2.3	2.4	2.4	2.4	2.5	2.5	2.5	2.6	2.6	2.6
8.0	2.7	2.7	2.7	2.8	2.8	2.8	2.9	2.9	2.9	3.0
9.0	3.0	3.0	3.1	3.1	3.1	3.2	3.2	3.2	3.3	3.3
10.0	3.3	3.4	3.4	3.4	3.5	3.5	3.5	3.6	3.6	3.6
11.0	3.7	3.7	3.7	3.8	3.8	3.8	3.9	3.9	3.9	4.0
12.0	4.0	4.0	4.1	4.1	4.1	4.2	4.2	4.2	4.3	4.3
13.0	4.3	4.4	4.4	4.4	4.5	4.5	4.5	4.6	4.6	4.6
14.0	4.7	4.7	4.7	4.8	4.8	4.8	4.9	4.9	4.9	5.0
15.0	5.0	5.0	5.1	5.1	5.1	5.2	5.2	5.2	5.3	5.3
16.0	5.3	5.4	5.4	5.4	5.5	5.5	5.5	5.6	5.6	5.6
17.0	5.7	5.7	5.7	5.8	5.8	5.8	5.9	5.9	5.9	6.0
18.0	6.0	6.0	6.1	6.1	6.1	6.2	6.2	6.2	6.3	6.3
19.0	6.3	6.4	6.4	6.4	6.5	6.5	6.5	6.6	6.6	6.6
20.0	6.7	6.7	6.7	6.8	6.8	6.8	6.9	6.9	6.9	7.0
21.0	7.0	7.0	7.1	7.1	7.1	7.2	7.2	7.2	7.3	7.3
22.0	7.3	7.4	7.4	7.4	7.5	7.5	7.5	7.6	7.6	7.6
23.0	7.7	7.7	7.7	7.8	7.8	7.8	7.9	7.9	7.9	8.0
24.0	8.0	8.0	8.1	8.1	8.1	8.2	8.2	8.2	8.3	8.3
25.0	8.3	8.4	8.4	8.4	8.5	8.5	8.5	8.6	8.6	8.6
26.0	8.7	8.7	8.7	8.8	8.8	8.8	8.9	8.9	8.9	9.0
27.0	9.0	9.0	9.1	9.1	9.1	9.2	9.2	9.2	9.3	9.3
28.0	9.3	9.4	9.4	9.4	9.5	9.5	9.5	9.6	9.6	9.6
29.0	9.7	9.7	9.7	9.8	9.8	9.8	9.9	9.9	9.9	10.0
30.0	10.0	10.0	10.1	10.1	10.1	10.2	10.2	10.2	10.3	10.3
31.0	10.3	10.4	10.4	10.4	10.5	10.5	10.5	10.6	10.6	10.6
32.0	10.7	10.7	10.7	10.8	10.8	10.8	10.9	10.9	10.9	11.0
33.0	11.0	11.0	11.1	11.1	11.1	11.2	11.2	11.2	11.3	11.3
34.0	11.3	11.4	11.4	11.4	11.5	11.5	11.5	11.6	11.6	11.6
35.0	11.7	11.7	11.7	11.8	11.8	11.8	11.9	11.9	11.9	12.0
36.0	12.0	12.0	12.1	12.1	12.1	12.2	12.2	12.2	12.3	12.3

Form FCI-301-C
County Yield and Rate Procedure
Table VI (Continued)

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Minimum Rate 75% Insurance	0	1	2	3	4	5	6	7	8	9
37.0	12.3	12.4	12.4	12.4	12.5	12.5	12.5	12.6	12.6	12.6
38.0	12.7	12.7	12.7	12.8	12.8	12.8	12.9	12.9	12.9	13.0
39.0	13.0	13.0	13.1	13.1	13.1	13.2	13.2	13.2	13.3	13.3
40.0	13.3	13.4	13.4	13.4	13.5	13.5	13.5	13.6	13.6	13.6
41.0	13.7	13.7	13.7	13.8	13.8	13.8	13.9	13.9	13.9	14.0
42.0	14.0	14.0	14.1	14.1	14.1	14.2	14.2	14.2	14.3	14.3
43.0	14.3	14.4	14.4	14.4	14.5	14.5	14.5	14.6	14.6	14.6
44.0	14.7	14.7	14.7	14.8	14.8	14.8	14.9	14.9	14.9	15.0
45.0	15.0	15.0	15.1	15.1	15.1	15.2	15.2	15.2	15.3	15.3
46.0	15.3	15.4	15.4	15.4	15.5	15.5	15.5	15.6	15.6	15.6
47.0	15.7	15.7	15.7	15.8	15.8	15.8	15.9	15.9	15.9	16.0
48.0	16.0	16.0	16.1	16.1	16.1	16.2	16.2	16.2	16.3	16.3
49.0	16.3	16.4	16.4	16.4	16.5	16.5	16.5	16.6	16.6	16.6
50.0	16.7	16.7	16.7	16.8	16.8	16.8	16.9	16.9	16.9	17.0
51.0	17.0	17.0	17.1	17.1	17.1	17.2	17.2	17.2	17.3	17.3
52.0	17.3	17.4	17.4	17.4	17.5	17.5	17.5	17.6	17.6	17.6
53.0	17.7	17.7	17.7	17.8	17.8	17.8	17.9	17.9	17.9	18.0
54.0	18.0	18.0	18.1	18.1	18.1	18.2	18.2	18.2	18.3	18.3
55.0	18.3	18.4	18.4	18.4	18.5	18.5	18.5	18.6	18.6	18.6
56.0	18.7	18.7	18.7	18.8	18.8	18.8	18.9	18.9	18.9	19.0
57.0	19.0	19.0	19.1	19.1	19.1	19.2	19.2	19.2	19.3	19.3
58.0	19.3	19.4	19.4	19.4	19.5	19.5	19.5	19.6	19.6	19.6
59.0	19.7	19.7	19.7	19.8	19.8	19.8	19.9	19.9	19.9	20.0
60.0	20.0	20.0	20.1	20.1	20.1	20.2	20.2	20.2	20.3	20.3
61.0	20.3	20.4	20.4	20.4	20.5	20.5	20.5	20.6	20.6	20.6
62.0	20.7	20.7	20.7	20.8	20.8	20.8	20.9	20.9	20.9	21.0
63.0	21.0	21.0	21.1	21.1	21.1	21.2	21.2	21.2	21.3	21.3
64.0	21.3	21.4	21.4	21.4	21.5	21.5	21.6	21.6	21.6	21.6
65.0	21.7	21.7	21.7	21.8	21.8	21.8	21.9	21.9	21.9	22.0

TABLE OF 1943 FACTORED FARM PREMIUM RATES
INCREASED BY 20 PERCENT FOR INSURANCE AGAINST LOSS OF SEED

Factored Rate for Lint Cotton	0	1	2	3	4	5	6	7	8	9
1.0	1.2	1.3	1.4	1.6	1.7	1.8	1.9	2.0	2.2	2.3
2.0	2.4	2.5	2.6	2.8	2.9	3.0	3.1	3.2	3.4	3.5
3.0	3.6	3.7	3.8	4.0	4.1	4.2	4.3	4.4	4.6	4.7
4.0	4.8	4.9	5.0	5.2	5.3	5.4	5.5	5.6	5.8	5.9
5.0	6.0	6.1	6.2	6.4	6.5	6.6	6.7	6.8	7.0	7.1
6.0	7.2	7.3	7.4	7.6	7.7	7.8	7.9	8.0	8.2	8.3
7.0	8.4	8.5	8.6	8.8	8.9	9.0	9.1	9.2	9.4	9.5
8.0	9.6	9.7	9.8	10.0	10.1	10.2	10.3	10.4	10.6	10.7
9.0	10.8	10.9	11.0	11.2	11.3	11.4	11.5	11.6	11.8	11.9
10.0	12.0	12.1	12.2	12.4	12.5	12.6	12.7	12.8	13.0	13.1
11.0	13.2	13.3	13.4	13.6	13.7	13.8	13.9	14.0	14.2	14.3
12.0	14.4	14.5	14.6	14.8	14.9	15.0	15.1	15.2	15.4	15.5
13.0	15.6	15.7	15.8	16.0	16.1	16.2	16.3	16.4	16.6	16.7
14.0	16.8	16.9	17.0	17.2	17.3	17.4	17.5	17.6	17.8	17.9
15.0	18.0	18.1	18.2	18.4	18.5	18.6	18.7	18.8	19.0	19.1
16.0	19.2	19.3	19.4	19.6	19.7	19.8	19.9	20.0	20.2	20.3
17.0	20.4	20.5	20.6	20.8	20.9	21.0	21.1	21.2	21.4	21.5
18.0	21.6	21.7	21.8	22.0	22.1	22.2	22.3	22.4	22.6	22.7
19.0	22.8	22.9	23.0	23.2	23.3	23.4	23.5	23.6	23.8	23.9
20.0	24.0	24.1	24.2	24.4	24.5	24.6	24.7	24.8	25.0	25.1
21.0	25.2	25.3	25.4	25.6	25.7	25.8	25.9	26.0	26.2	26.3
22.0	26.4	26.5	26.6	26.8	26.9	27.0	27.1	27.2	27.4	27.5
23.0	27.6	27.7	27.8	28.0	28.1	28.2	28.3	28.4	28.6	28.7
24.0	28.8	28.9	29.0	29.2	29.3	29.4	29.5	29.6	29.8	29.9
25.0	30.0	30.1	30.2	30.4	30.5	30.6	30.7	30.8	31.0	31.1
26.0	31.2	31.3	31.4	31.6	31.7	31.8	31.9	32.0	32.2	32.3
27.0	32.4	32.5	32.6	32.8	32.9	33.0	33.1	33.2	33.4	33.5
28.0	33.6	33.7	33.8	34.0	34.1	34.2	34.3	34.4	34.6	34.7
29.0	34.8	34.9	35.0	35.2	35.3	35.4	35.5	35.6	35.8	35.9
30.0	36.0	36.1	36.2	36.4	36.5	36.6	36.7	36.8	37.0	37.1
31.0	37.2	37.3	37.4	37.6	37.7	37.8	37.9	38.0	38.2	38.3
32.0	38.4	38.5	38.6	38.8	38.9	39.0	39.1	39.2	39.4	39.5
33.0	39.6	39.7	39.8	40.0	40.1	40.2	40.3	40.4	40.6	40.7
34.0	40.8	40.9	41.0	41.2	41.3	41.4	41.5	41.6	41.8	41.9
35.0	42.0	42.1	42.2	42.4	42.5	42.6	42.7	42.8	43.0	43.1

Form FCI-301-C
County Yield and Rate Procedure
Table VII (Continued)

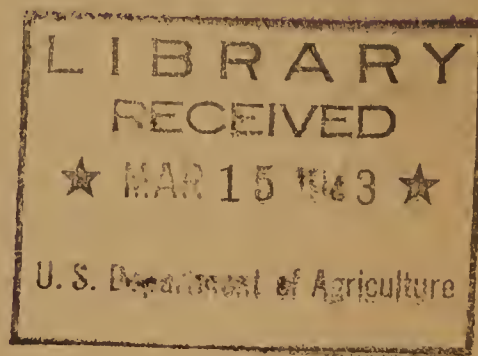
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Factored Rate for Lint Cotton	0	1	2	3	4	5	6	7	8	9
36.0	43.2	43.3	43.4	43.6	43.7	43.8	43.9	44.0	44.2	44.3
37.0	44.4	44.5	44.6	44.8	44.9	45.0	45.1	45.2	45.4	45.5
38.0	45.6	45.7	45.8	46.0	46.1	46.2	46.3	46.4	46.6	46.7
39.0	46.8	46.9	47.0	47.2	47.3	47.4	47.5	47.6	47.8	47.9
40.0	48.0	48.1	48.2	48.4	48.5	48.6	48.7	48.8	49.0	49.1
41.0	49.2	49.3	49.4	49.6	49.7	49.8	49.9	50.0	50.2	50.3
42.0	50.4	50.5	50.6	50.8	50.9	51.0	51.1	51.2	51.4	51.5
43.0	51.6	51.7	51.8	52.0	52.1	52.2	52.3	52.4	52.6	52.7
44.0	52.8	52.9	53.0	53.2	53.3	53.4	53.5	53.6	53.8	53.9
45.0	54.0	54.1	54.2	54.4	54.5	54.6	54.7	54.8	55.0	55.1
46.0	55.2	55.3	55.4	55.6	55.7	55.8	55.9	56.0	56.2	56.3
47.0	56.4	56.5	56.6	56.8	56.9	57.0	57.1	57.2	57.4	57.5
48.0	57.6	57.7	57.8	58.0	58.1	58.2	58.3	58.4	58.6	58.7
49.0	58.8	58.9	59.0	59.2	59.3	59.4	59.5	59.6	59.8	59.9
50.0	60.0	60.1	60.2	60.4	60.5	60.6	60.7	60.8	61.0	61.1
51.0	61.2	61.3	61.4	61.6	61.7	61.8	61.9	62.0	62.2	62.3
52.0	62.4	62.5	62.6	62.8	62.9	63.0	63.1	63.2	63.4	63.5
53.0	63.6	63.7	63.8	64.0	64.1	64.2	64.3	64.4	64.6	64.7
54.0	64.8	64.9	65.0	65.2	65.3	65.4	65.5	65.6	65.8	65.9
55.0	66.0	66.1	66.2	66.4	66.5	66.6	66.7	66.8	67.0	67.1
56.0	67.2	67.3	67.4	67.6	67.7	67.8	67.9	68.0	68.2	68.3
57.0	68.4	68.5	68.6	68.8	68.9	69.0	69.1	69.2	69.4	69.5
58.0	69.6	69.7	69.8	70.0	70.1	70.2	70.3	70.4	70.6	70.7
59.0	70.8	70.9	71.0	71.2	71.3	71.4	71.5	71.6	71.8	71.9
60.0	72.0	72.1	72.2	72.4	72.5	72.6	72.7	72.8	73.0	73.1
61.0	73.2	73.3	73.4	73.6	73.7	73.8	73.9	74.0	74.2	74.3
62.0	74.4	74.5	74.6	74.8	74.9	75.0	75.1	75.2	75.4	75.5
63.0	75.6	75.7	75.8	76.0	76.1	76.2	76.3	76.4	76.6	76.7
64.0	76.8	76.9	77.0	77.2	77.3	77.4	77.5	77.6	77.8	77.9
65.0	78.0	78.1	78.2	78.4	78.5	78.6	78.7	78.8	79.0	79.1

TENTATIVE--1-25-43
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of printed copies)

U. S. DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

COTTON CROP INSURANCE
REGULATIONS



January 1943

MANNER OF OBTAINING INSURANCE 1/

Section 101 Application for insurance.--Application for insurance on a form prescribed by the Corporation for such purpose, may be made by any person to cover his interest as landlord, owner, tenant, or sharecropper in cotton to be grown in the current year. If an applicant has an interest in both American Upland cotton and American Egyptian cotton, such applicant may insure either or both, using a separate application for American Upland cotton and for American Egyptian cotton, and if an application for American Upland cotton or American Egyptian cotton is submitted, only that cotton for which the application is submitted will be covered. An application shall cover the applicant's interest in the cotton crop on each insurance unit in the county in which the applicant has an interest at the beginning of the planting thereof. Applications shall be submitted to the office of the county committee on or before the applicable closing date established by the Corporation for the county or area in which the insurance unit is located. These regulations shall apply to each application submitted regardless of whether it is to cover American Egyptian or American Upland cotton and any provisions of these regulations shall be construed as applying to both types of cotton unless the context specifically indicates otherwise.

Section 102 Acceptance of applications by the Corporation.--
(a) Upon acceptance of an application by the county committee, as evidenced by the signature of a county committeeman for and on behalf of the county committee in the space provided on the application, the insurance contract shall be in effect provided that such application is submitted in accordance with the provisions of the application and of these regulations and any amendments thereto. Applicant's copy of accepted application is intended for delivery to the applicant. Each change in the data originally shown on the application shall be deemed to have been assented to by the applicant if such change is shown on the applicant's copy of the accepted application and he has not filed with the county committee a written objection to such change within ten days after his copy has been forwarded to him.

(b) The Corporation reserves the right to reject any application for insurance or to limit the insurance on the applicant's interest to 50 percent of the average yield for each insurance unit covered by the application in any case where the county committee determines that the risk which would be incurred warrants either such action.

1/ Definitions of terms for purposes of the cotton crop insurance program are contained in section 171 hereof.

PREMIUM FOR INSURANCE CONTRACT

Section 111 Amount of premium.--(a) The premium for each insurance unit under the contract shall be the number of pounds of lint cotton determined by multiplying the acreage of cotton planted on such insurance unit (as determined by the Corporation but not in excess of the maximum insurable acreage), by the premium rate per acre and by the insured's interest in the crop at the beginning of its planting. If more than one premium rate has been established for the insurance unit, a premium shall be computed separately using the applicable acreage for each rate, and the total of the amounts so computed shall be the premium for the insurance unit. The premium for the insurance contract shall be the total of the premiums for the insurance units covered by the contract. The premium with respect to each insurance unit shall be regarded as earned when the cotton crop on such unit is planted. The minimum premium payable by the insured with respect to any insurance contract shall be ten pounds of cotton.

(b) The applicant's annual premium may be reduced in any year not to exceed 50 percent; if it is determined by the Corporation from a comparison of the insured production with the accumulated balance of premiums paid over indemnities received (with appropriate adjustments for insurance on cottonseed) on consecutively insured crops, that the risks on cotton crops produced by the insured justify such reduction. Nothing in this provision shall create in the insured any right to a reduced premium as a result of the total premiums he has paid exceeding the total indemnities he has received.

Section 112 Manner of payment of premium.--(a) Each applicant for insurance shall sign a note in the form and manner prescribed by the Corporation. Such note shall represent a promise to pay the Corporation the total premium for all insurance units covered by the insurance contract and shall be payable on or before the maturity date specified in section 179 hereof. Such note shall not bear interest.

(b) Payment on any such note may be made in whole or in part before maturity, either in cotton or cash, or both. After maturity, payment may be made only in cash. In connection with any payment before maturity, there shall be credited on the note the number of whole pounds of lint cotton computed by dividing the payment made (the proceeds of the sale of cotton if cotton is paid) by the cash equivalent price per pound for the date of payment. The amount of any such note due at maturity shall be the cash equivalent thereof based on the cash equivalent price per pound applicable for such maturity date.

(c) Any unpaid amount on any such note (either before or after the date of maturity) may be deducted from any indemnity payable under the contract, from the proceeds of any commodity loan to the

insured, and from any payment made to the insured under the Soil Conservation and Domestic Allotment Act, as amended, or any other act of Congress administered by the United States Department of Agriculture. Where any such deduction is made before the date of maturity, the cash equivalent of the deduction will be based on either the cash equivalent price used in computing the indemnity payment or the cash equivalent price in effect on the day the county committee approves such loan or other payment. Such price shall also be used in determining the number of pounds of lint cotton to be credited on the note.

(d) Payments in cash shall be made by means of cash or by check, money order, or bank draft payable to the order of the Treasurer of the United States. All checks and drafts will be accepted subject to collection, and payments tendered shall not be regarded as paid unless collection is made. When a payment is made in cotton, it shall be by means of an instrument acceptable to the Corporation representing salable cotton.

INSURANCE COVERAGE

Section 121 Insurance period.--Insurance with respect to any insurance unit shall attach at the time the crop is planted and shall cease with respect to any portion of the crop upon weighing in at the gin, other disposal after harvest, transfer of interest in unharvested cotton after harvest is commenced, or January 31 of the year following the year in which the insured crop was planted, whichever occurs first, unless such date is extended in writing by the Corporation.

Section 122 Insured production.--The insured production for each insurance unit under the contract shall be the number of pounds of cotton determined by multiplying the acreage of cotton planted (as determined by the Corporation but not in excess of the maximum insurable acreage as defined in paragraph 171(o) hereof) by the average yield per acre, by the insured percentage, and by the insured's interest in the crop at the beginning of its planting. If more than one average yield has been established for the insurance unit, the insured production shall be computed separately, using the applicable acreage for each yield, and the total of such computed amounts shall be the insured production for the insurance unit.

Section 123 Causes of loss or damage insured against.--The insurance contract shall cover loss in yield of cotton due to drought, flood, hail, wind, frost, lightning, fire, tornado, storm, insect infestation, animal pests, plant diseases, excess or deficient moisture, incursions of animals, and such other unavoidable causes not specifically mentioned herein as may be determined by the Board of Directors of the Corporation, and loss caused by direct enemy

attack or as a direct result of the actions of our own forces in resisting such attack. The contract shall not cover damage to quality or loss in yield caused by the neglect or malfeasance of the insured or of any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand, nor shall it cover losses caused by theft, use of defective or unadapted seed, failure properly to prepare the land for planting, or properly to plant, care for, or harvest the insured crop, or by failure to replant the cotton in areas and under circumstances where the Corporation determines it is customary to replant, or, where insurance is written on an irrigated basis; failure properly to apply irrigation water to cotton in proportion to the amount of water available for all irrigated crops.

Section 124 Notice of transfer, damage, removal, etc., of cotton crop.---(a) Unless otherwise provided by the Corporation, notice in writing shall be given the Corporation at the office of the county committee (1) immediately after the cotton crop or any portion thereof is transferred to another person, or (2) if a loss is probable, immediately after any material damage to the insured crop and before the crop is harvested, removed, or any other use is made of it. Any such notice shall be given in time to allow the Corporation to make appropriate investigation.

(b) Any portion of the cotton crop that has been destroyed or substantially totally destroyed may be put to another use only with the consent of the Corporation subject to an appraisal by the Corporation of the yield that would be realized if such portion of the crop remained for harvest. No acreage planted to cotton shall be considered as put to another use as long as any cotton on such acreage is remaining for harvest. Proper measures shall be taken to protect the crop from further damage, and there shall be no abandonment of any crop or portion thereof to the Corporation.

Section 125 Time of loss.---Loss, if any, shall be deemed to have occurred at the completion of weighing in of the insured crop at the gin, or disposal of the harvested crop, or January 31 of the year following the year in which the insured crop was planted (unless such time is extended in writing by the Corporation), whichever occurs first, unless the Corporation determines that total or substantially total destruction of the cotton crop occurred earlier, in which event the loss shall be deemed to have occurred on the date so determined by the Corporation. The cotton crop shall be deemed to have been substantially totally destroyed if the Corporation finds that it has been so badly damaged that farmers generally in the area where the farm is located and on whose farms similar losses occurred would not further care for the crop or harvest any portion thereof.

Section 126 Proof of loss.--If a loss is claimed, the insured shall submit to the Corporation at the office of the county committee, on a form prescribed by the Corporation, a statement in proof of loss containing such information as may be required regarding the insured crop. Such statement in proof of loss shall be submitted not later than 30 days after the time of loss, unless such time is extended in writing by the Corporation. It shall be a condition precedent to any liability under the insurance contract that the insured establish that any loss for which claim is made has been directly caused by one or more of the hazards insured against by the insurance contract during the term of the contract, and that the insured further establish that such loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against by the insurance contract.

Section 127 Amount of loss.--(a) The amount of loss for which indemnity will be payable with respect to any insurance unit will be the insured production under the contract for such insurance unit less the interest insured under the contract (at the time harvest is commenced) in the lint cotton harvested from the insurance unit, and not destroyed, and the appraised production of lint cotton not harvested: Provided, however, That such amount shall be subject to one or more of the following reductions, whenever applicable, multiplied by the insured's interest in the crop at the time harvest is commenced or, if the crop is not harvested, at the time of loss:

(1) With respect to American Upland cotton where any acreage of cotton planted is put to another use with the consent of the Corporation, the number of pounds of cotton equal to the appraised production which would have been obtained from such acreage if it had not been put to such other use;

(2) Where any acreage of cotton is not replanted to cotton in areas and under circumstances where the Corporation determines it is customary to replant cotton, the number of pounds of cotton by which the amount of cotton, determined as the production from such acreage, is less than the product of the acreage, the average yield, and the insured percentage;

(3) Where a reduction in production of cotton on any acreage results either in whole or in part from one or more causes not insured against, including (i) the use of such acreage for any purpose other than the production of cotton, without the consent of the Corporation, and (ii) failure properly to apply irrigation water to cotton in proportion to the water available for all irrigated crops in instances in which insurance is written on an irrigated basis, a number of pounds equal to the appraised reduction in production, except that with respect to any acreage

on which there is a complete failure in yield due solely to a cause not insured against, such number of pounds shall not be less than the product of the acreage, the average yield, and the insured percentage;

(4) Where any acreage of cotton is planted on acreage of poorer average quality than the average quality of the land considered in establishing the average yield and premium rate and such planting was not the result of an established rotation, or where the Corporation's risk has been increased upon any acreage by (i) planting a variety of cotton different from the variety of cotton considered in establishing the average yield or premium rate, (ii) following a fertilizer or other practice, in connection with the production of cotton on the insurance unit different from that taken into consideration in establishing the average yield and premium rate for the unit, or (iii) planting the cotton crop under conditions of immediate hazard without adjustment of the average yield or premium rate to reflect such hazard, a number of pounds equal to the product of such acreage, the insured percentage, and the number of pounds of cotton per acre representing the difference between the average yield established and the yield appraised on the basis of the quality of the land seeded, the variety of cotton planted, the practice followed, or the immediate hazard at the time of planting, as the case may be. This adjustment shall be made for any one or more of the reasons listed in this item, notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause;

(5) Where the insurance unit consists of only a portion of the acreage considered in establishing the average yield and premium rate and the average productivity or farming hazards for such unit differs materially from the average productivity or farming hazards for the acreage considered in establishing the average yield and premium rate and the loss is caused by such difference, a number of pounds of cotton representing the product of the difference between the average yield per acre established for the acreage of which such unit is a part and the average productivity per acre appraised for such unit, the acreage of cotton on such unit, and the insured percentage;

(6) Where the loss is caused by inability to obtain labor, fertilizer, machinery, repairs, or insect poisons, as a result of war conditions, and a reasonable effort has been made to obtain such labor, fertilizer, machinery, repairs, insect poisons, or other farming essentials as may be approved by the Corporation, a number of pounds of cotton of not less than the smaller of either (i) the equivalent of the savings in cost of producing the insured crop, including harvesting and ginning, computed by dividing the savings in cost by 120 percent of the applicable cash equivalent price per pound for American Upland cotton and by 115 percent for American

Egyptian cotton, or (ii) the amount of loss attributable to such cause;

(7) Where any acreage of American Egyptian cotton planted is totally or substantially totally destroyed before July 2, the number of pounds of cotton equal to the appraised production from such acreage: Provided, however, That the appraised production for such acreage shall not be less than 82 percent of the lint cotton insurance per acre if the crop is totally or substantially totally destroyed on or before April 30. Such percentage limitation shall be decreased by one percent per day from May 1 to May 31, inclusive, and by one-half of one percent per day from June 1 to July 2, inclusive. The county committee shall determine the date of the total or substantially total destruction of the cotton crop or of the portion of the acreage of the cotton crop affected, as the case may be, which date shall be the date for determining the amount of the appraised production and the percentage limitation on the appraised production with respect to such crop or acreage; and

(8) With respect to American Egyptian cotton, for any acreage not totally or substantially totally destroyed before July 2, 35 percent of the number of pounds of cotton by which the lint cotton produced on the insurance unit is less than the product of the lint cotton insurance per acre and such acreage not totally or substantially totally destroyed before July 2, except that if the cotton that has been harvested is destroyed before weighing in at the gin, the adjustment made for such cotton shall be only for the number of pounds of lint cotton equivalent to the savings in costs. The production shall be appraised for any cotton not harvested on acreage not totally or substantially totally destroyed before July 2.

(b) Where the insured fails to establish and maintain records of acreage or production for the component parts of a combination of two or more insurance units or portions thereof, the insurance contract may be voided by the Corporation and the premium forfeited by the insured: Provided, however, That if all the component parts of the combination are insured the insured production for the combination shall be ascertained and any loss for such combination shall be determined as outlined in paragraph (a) of this section.

(c) In order to cover loss of cottonseed on any insurance unit, there shall be added to the amount of loss determined under paragraph (a) of this section a number of pounds of lint cotton equal to 20 percent of such amount of loss of American Upland cotton or a number of pounds of lint cotton equal to 15 percent of such amount of loss of American Egyptian cotton.

PAYMENT OF INDEMNITY

Section 131 When indemnity payable.--The amount of loss for which the Corporation may be liable with respect to any farm covered by the insurance contract shall be payable within 30 days after satisfactory proof of loss is approved by the Corporation. However, if payment of any indemnity is delayed for any reason beyond the time specified, the Corporation shall not be liable for interest or damages on account of such delay.

Section 132 Indemnity payment.--(a) Any indemnity due under the insurance contract will be paid by the issuance of a certificate of indemnity on which will be shown the amount of loss. Settlement under such certificate will be made in cash or cotton in accordance with these regulations. Such certificate may also be used to obtain a loan from the Commodity Credit Corporation, if loans are available, in accordance with instructions issued by it.

(b) Any indemnity payable under an insurance contract shall be paid to, and settlement under the certificate of indemnity made with, the insured, his beneficiary, or such other person as may be entitled to the benefits of the insurance contract under the provisions of these regulations, notwithstanding any attachment, garnishment, receivership, trustee process, judgment, levy, equity, or bankruptcy directed against the insured or such other person, or against any indemnity alleged to be due to such person; nor shall the Corporation or any officer, employee, or representative thereof be a proper party to any suit or action with reference to such indemnity or the proceeds thereof nor be bound by any judgment, order, or decree rendered or entered therein. No officer, agent, or employee of the Corporation shall, because of any such process, order or decree, pay, or cause to be paid, to any person other than the insured, his beneficiary (designated by him in such form and manner as the Corporation may prescribe), or other person entitled to the benefits of the insurance contract, any indemnity payable, or any amount due in settlement of any certificate of indemnity in accordance with the provisions of the insurance contract. Nothing herein contained shall excuse any person entitled to the benefits of the insurance contract from full compliance with, or performance of, any lawful judgment, order, or decree with respect to the disposition of any sums paid thereunder as an indemnity.

Section 133 Adjustments in connection with indemnity payments.--Where an adjustment is made in the amount of an indemnity, settlement for such adjustment may be made on the basis of a cash equivalent price per pound other than that used in making settlement under the certificate of indemnity originally issued.

Section 134 Other insurance.--If the insured has or acquires any other "all-risk" insurance against substantially all the risks that are insured against by the Corporation under the insurance contract on the crop or portion thereof covered in whole or in part

by such other "all-risk" insurance contract, whether valid or not, or whether collectible or not, the liability of the Corporation shall not be greater than its share would be if the amount of its obligations were divided equally between the Corporation and such other insurer. In any case where an indemnity is paid to the insured by another government agency because of damage to the cotton crop, the Corporation reserves the right to determine its liability under the cotton crop insurance contract taking into consideration the amount paid by such other agency.

Section 135 Subrogation.--The Corporation may require from the insured an assignment of all rights of recovery against any person(s) for loss or damage to the extent that payment therefor is made by the Corporation, and the insured shall execute all papers required and shall do everything that may be necessary to secure such rights.

Section 136 Suit.--No suit or action shall be brought to enforce any claim for loss under the insurance contract unless all the requirements of such contract have been complied with.

Section 137 Creditors.--An interest existing by virtue of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or any other process shall not be considered an interest in an insured crop within the meaning of these regulations.

PAYMENT OF INDEMNITY TO PERSONS OTHER THAN ORIGINAL INSURED

Section 141 Payment to transferee.--Payment of indemnity will be made only to the person(s) having the insured interest in a cotton crop at the beginning of harvest or the time of loss, whichever occurs first. In the event there is a transfer of the insured interest in a cotton crop after planting and before the beginning of harvest, or the time of loss, whichever occurs first, the transferee shall be entitled to the benefits of the insurance contract as follows: (1) If the transfer is one of the entire insured interest in the crop or a percentage of such entire interest, the insurance unit shall not be changed, and the transferee shall be entitled to indemnity payable with respect to the transferred interest; (2) if the transfer is one of the insured interest or a portion thereof in a portion of the acreage constituting the insured crop, the acreage with respect to which such interest is transferred shall constitute a separate insurance unit for the purposes of determining the amount of loss: Provided, however, That an involuntary transfer of an insured interest in a cotton crop solely because of the existence of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or other process shall not entitle any holder of any such interest to any benefits

under the insurance contract: Provided, further, That if any transfer takes place after material damage to the insured crop or a portion thereof and the Corporation determines that the transfer was made for the purpose of requiring that the Corporation pay a greater indemnity than would have been paid if the transfer had not taken place, the Corporation shall not be liable for a greater amount of indemnity in connection with the insured crop than would have been paid if the transfer had not taken place. If, as a result of any such transfer, diverse interests appear, the indemnity, if any, payable with respect to such unit may be paid jointly to all persons having the insured interest in the crop at the time harvest is commenced or the time of loss, whichever occurs first, or to one of such persons on behalf of all such persons and payment in any such manner shall constitute a complete discharge of the Corporation's liability under the insurance contract.

Section 142 Death, incompetence, or disappearance of insured.--

(a) If no beneficiary has been designated by the insured (or if designated, is ineligible or unavailable) and if the insured dies, is judicially declared incompetent, or disappears, before the time of loss or the time harvest is commenced, whichever occurs first, and his insured interest in a cotton crop is a part of his estate at such time, or if insured dies, is judicially declared incompetent, or disappears subsequent to such time, the indemnity, if any, shall be paid to the legal representative of his estate, if one is appointed or is duly qualified. If no such representative is or will be so qualified, the indemnity shall be paid to the persons beneficially entitled to share in the insured's interest in the crop or to any one or more of such persons on behalf of all such persons: Provided, however, That if the indemnity represents a number of pounds of cotton, the cash equivalent of which exceeds \$500.00, the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is duly qualified to receive such payment.

(b) If no beneficiary has been designated by the insured (or if designated, is ineligible or unavailable) and if the insured dies, is judicially declared incompetent, or disappears before the time harvest is commenced, or the time of loss, whichever occurs first, and his interest in the crop is not a part of his estate at such time, the indemnity, if any, shall be paid to the person(s) who succeeded to his interest in the crop in the manner provided for in section 141.

(c) If a beneficiary has been named by the insured and if the insured dies, is judicially declared incompetent, or disappears, payment of any indemnity to which the insured is entitled will be made to such beneficiary if eligible and available.

(d) If an applicant for insurance dies, is judicially declared incompetent, or disappears, before the cotton crop intended to be covered by the application is planted, whoever succeeds him

on the farm with the right to plant the cotton crop as his heir or heirs, administrator, executor, guardian, committee, or conservator shall become a party in his stead to the contract for which he applied upon filing with the office of the county committee, within 15 days (unless such period is extended by the Corporation) after such death, judicial declaration, or disappearance, a statement in writing requesting and undertaking such substitution, provided that at the time of such filing there has not been and is not imminent a loss of the crop for which an indemnity would be payable if the insurance had already attached to the crop.

(e) The insured shall be deemed to have disappeared within the meaning of these regulations if he fails to file with the county committee written notice of his new mailing address within 180 calendar days after any communication by or on behalf of the Corporation is returned undeliverable at the address stated in the proof of loss or after such loss has been established otherwise, whichever is earlier.

Section 143 Collateral assignment of right under insurance contract.--The right to an indemnity under an insurance contract may be assigned by the original insured as collateral security for a current loan, current advance to assist in the making of a cotton crop, the amount of the current year's rental due under a leasing agreement with respect to the insurance unit upon which the cotton crop is or will be planted, or the amount of the current annual installment due under a mortgage, purchase, or trust agreement covering the purchase of the insurance unit upon which the cotton crop is or will be planted and an additional amount of any delinquency which may be due under the mortgage, purchase, or trust agreement of not to exceed the amount of the current annual installment, including interest and taxes. Such assignment shall be made by the execution of a form prescribed by the Corporation and, upon approval thereof by the Corporation, the interests of the assignee will be recognized in the event an indemnity is payable under the insurance contract, to the extent of the amount determined to be the unpaid balance of the amount (including interest and other charges) for which such assignment was made as collateral security: Provided, however, That (1) the Corporation in payment of the indemnity may issue a check payable jointly to all persons entitled thereto and that such payment shall constitute a complete discharge of the Corporation's obligation with respect to any loss under the insurance contract; and (2) payment of any indemnity will be subject to all conditions and provisions of the insurance contract. The Corporation's approval of an assignment shall not create in the assignee any right other than that derived from the assignor. The Corporation shall in no case be bound to accept notice of any assignment of the insurance contract, and nothing contained in any assignment shall give any right against the Corporation to any person other than the insured except to an assignee approved by the Corporation. Only one such assignment will

be recognized in connection with the insurance contract, but if an assignment is released a new assignment of the right to an indemnity under the insurance contract may be made. -

Section 144 Fiduciaries.--Any indemnity payable under an insurance contract entered into in the name of a fiduciary who is no longer acting in such capacity at the time for the payment of indemnity and settlement under the certificate of indemnity will be made to the succeeding fiduciary upon appropriate application and proof satisfactory to the Corporation of his incumbency. In the event there is no succeeding fiduciary, payment of the indemnity and settlement under the certificate of indemnity shall be made to the persons beneficially entitled under these regulations to the insured interest in the crop to the extent of their respective interests upon proper application and proof of the facts: Provided, however, That the loss may be adjusted with any one or more of the persons so entitled, and payment may be made to such person or persons in behalf of all the persons so entitled, whether or not the person to whom payment is made has been authorized to receive such payment by the other persons so entitled.

Section 145 Indemnities subject to all provisions of insurance contract.--Indemnities payable to any person shall be subject to all the provisions of the insurance contract, including the right of the Corporation to deduct from any such indemnity the unpaid amount of the note of the original insured for the payment of the earned premium: Provided, however, That, in case of a transfer of an interest in an insured crop, such deduction to be made from an indemnity payable to the transferee shall not exceed the premium due on the interest in the crop so transferred. Any indemnity payable to any person other than the original insured as a result of transfer, or otherwise, shall be subject to any collateral assignment of the insurance contract by the original insured.

Section 146 Determination of person to whom indemnity shall be paid.--In any case where the insured has transferred his interest in all or a portion of the cotton crop on any farm, has died, has become incompetent, has disappeared, has ceased to act as a fiduciary, or has designated a beneficiary or, if designated, such beneficiary is deceased or is otherwise unavailable or ineligible, payment in accordance with the provisions of these regulations will be made only after the facts have been established to the satisfaction of the Corporation. The determination of the Corporation as to the existence or nonexistence of a circumstance in the event of which payment may be made and of the person(s) to whom such payment shall be made shall be final and conclusive. Payment of any indemnity under this section shall constitute a complete discharge of the Corporation's obligation with respect to the loss for which such indemnity is paid and shall be a bar to recovery by any other person.

DEPOSITS, REFUNDS OF DEPOSITS,
AND EXCESS NOTE PAYMENTS

Section 151 Deposits to be applied toward payment of notes for future crop years.--(a) Any payment made by or for an applicant in excess of an amount equal to the number of pounds of lint cotton required to pay the note shall be credited as a deposit to be applied toward payment of the premium in the next succeeding crop year. Such deposit shall be stated in terms of the cotton equivalent of the payment made. The cotton equivalent shall be determined by dividing the amount of such excess payment by the cash equivalent price per pound applicable for the date on which the excess payment was made. The Corporation reserves the right to reject any tender of deposit.

(b) The acceptance of any deposit shall not obligate the Corporation to insure the interest of the depositor under any insurance contract, and any such deposit will be subject to the provisions of the insurance contract for the year in which the deposit is used. The depositor shall have no title or interest in any lint cotton held by the Corporation, including that deposited by him, and the Corporation shall be liable to the depositor only for the cash equivalent price per pound for each pound of the quantity of cotton credited to the insured's account.

Section 152 Refunds of deposits.--Except as otherwise may be provided by the Corporation, no claim for refund of a deposit shall be made prior to the final date fixed by the Corporation for receipt of applications for the next succeeding Cotton Crop Insurance Program in the county in which the insurance unit covered by the insurance contract is located, unless an earlier time for such filing is fixed by the Corporation: Provided, however, That the Corporation may refund any deposit at such earlier date as it may determine. The cash equivalent price per pound of any refund of deposit shall be determined by multiplying the number of pounds of cotton credited to the insured's account by the cash equivalent price per pound applicable for the date on which the deposit was tendered.

Section 153 Refunds of Excess Note Payments.--(a) Before maturity of note: The Corporation shall not be required to make a refund of any excess payment made on account of a note until the acreage planted to cotton on all insurance units covered by the insurance contract has been determined. However, an earlier date may be fixed by the Corporation.

The cash equivalent of any refund shall be determined on the basis of the number of pounds of lint cotton to be refunded and the cash equivalent price for the appropriate grade and staple of such lint cotton, effective for the date such payment was submitted to the Corporation. If more than one payment is made on the

note for the crop insurance premium, the payments shall be applied in the order of submittal to the Corporation. In computing the amount of any refund the payments shall be considered in their inverse order and each such payment or portion thereof shall be regarded as a separate payment in determining the cash equivalent of the refund.

(b) After maturity of note: Payments received after the maturity of the note for the payment of the crop insurance premium shall be refunded in the actual amount of money paid to the Corporation in excess of that determined to be necessary to pay such note.

There shall be no refund of an amount less than \$1.00, with respect to payments made either before or after the maturity of the note, unless written request for such refund is received by the Corporation within one year after the date of maturity of the note.

Section 154 Assignment or transfer of claims for refunds.-- No claim for a refund, or any part or share thereof, or any interest therein, shall be assignable or transferable, notwithstanding any assignment of the insurance contract as security or any transfer of interest in any cotton crop covered by the insurance contract. Refund of any deposit will be made only to the depositor and refund of any other payment will be made only to the person who made such payment except as provided in section 155.

Section 155 Refund in case of death, incompetence, or disappearance.--In any case where a person, who is entitled to a refund of a payment or a deposit, has died, has been judicially declared incompetent, or has disappeared, the provisions of section 142 with reference to the payment of indemnities in any such case shall be applicable with respect to the making of any such refund.

ESTABLISHMENT OF AVERAGE YIELDS AND PREMIUM RATES

Section 161 Determination of farm average yields of lint cotton per acre.--(a) The county committee shall determine the 1941 crop yield of lint cotton per acre from reliable records for each farm on which cotton was planted in 1941. For those cotton farms on which no cotton was planted in 1941, or for which no 1941 crop data are available, the county committee shall appraise the 1941 crop yield per planted acre, basing such appraisal on the actual 1941 crop yield per planted acre on a similar farm and other available information. For those farms for which the county committee determines that the actual crop data are not applicable, the county committee shall adjust the crop yield to a figure which represents the yield of similar farms in the county which

were not subject to the conditions for which adjustment is being made. The county committee may determine that actual crop data are not applicable in those cases in which (1) the committee finds that the yield for 1941 was abnormally low due to a cause which did not result in losses generally throughout the county, and which is not more likely to recur on the farm than to occur on any other farm in the county, which condition shall be referred to as "spot loss;" or (2) the committee determines that the crop in 1941 was planted on a small or unrepresentative acreage.

(b) The average yield of lint cotton for the farm shall be determined by averaging the 1941 crop yield per planted acre with the average yield of lint cotton per acre previously established for the farm and approved by the Corporation for use in determining the average farm yield for the 1942 program, giving a weight of nine to the average yield so previously established for the farm and a weight of one to the 1941 crop yield per planted acre: Provided, however, That the average yield established before factoring shall not exceed the average yield so previously established for the farm by more than 10 percent.

(c) For each farm for which a regular allotment has not been established for 1943 but for which a permitted acreage or "new-grower allotment" has been established, upon application by a person having an interest in the cotton grown on such farm the county committee shall appraise an average yield. Such appraisal shall be based on the average yield of a farm similar in acreage, farming practices, topography, and risk of loss.

(d) An average of the final yields established for all farms in the county or administrative area, weighted by the most recent cotton acreage allotments then established for such farms under the agricultural conservation program, shall not exceed the check yield established by the Corporation for such county or administrative area.

Section 162 Determination of premium rates for insurance.--

(a) For all farms in the county for which an average yield is established in accordance with subsections (a) and (b) of section 161, the premium rate for 75-percent lint insurance shall be determined (1) by determining the loss cost portion of the premium rate for 75-percent lint insurance previously established for the farm and approved by the Corporation for use in determining the 1942 farm premium rate, (2) by adjusting such figure for the difference between the preliminary average yield of lint cotton per acre established for the farm for 1943 and the average lint yield per acre for the farm as approved by the Corporation for use in determining the 1943 average yield, (3) by averaging such adjusted figure with the 1941 crop loss per acre (that is, the amount by which the 1941 crop yield is less than 75 percent of the 1943 preliminary average lint yield per acre for the farm),

giving a weight of nine to the figure arrived at under (2) above and a weight of one to the 1941 crop loss per acre (provided, however, that the amount of the 1941 crop loss per acre used in this computation shall not exceed 100 pounds), and (4) by averaging the figure thus obtained with the 1943 county check premium rate, giving equal weight to each. The Corporation may prescribe, however, different weights to be given to such figures where it determines that such procedure results in premium rates which more adequately reflect the risks on farms in the county. The same method of weighting shall be used for all farms in the county unless the Corporation determines that cotton farming conditions in the county warrant the use of different methods of weighting in separate areas within the county. The Corporation may provide other means of computation which will result in premium rates substantially the same as those arrived at under the above provisions.

(b) For each farm for which a regular allotment has not been established for 1943 but for which a permitted acreage or "new-grower allotment" has been established, upon application by a person having an interest in the cotton grown on such farm the county committee shall appraise a lint premium rate. Such appraisal shall be based on the established premium rate of a farm similar in acreage, farming practices, topography, and risk of loss.

(c) The average of the lint premium rates established for all farms in the county or administrative area weighted by the cotton acreage allotments established for such farms under the agricultural conservation program shall not be less than the check premium rate established by the Corporation for such county or administrative area.

(d) The minimum premium rate per acre for 75-percent lint insurance on American Upland cotton shall be four pounds of lint cotton plus two percent of the average yield established for the insurance unit, except that for insurance units with an average yield of less than 100 pounds per acre such minimum premium rate shall be six percent of the average yield established for the insurance unit. The minimum premium rate per acre for 75-percent lint insurance on American Egyptian cotton shall be 60 percent of the minimum rate thus computed.

(e) The premium rate for 50-percent lint insurance shall be determined by applying a percentage factor as determined by the Corporation to the premium rate for 75-percent lint insurance irrespective of the minimum premium rate for 75-percent insurance which has been established for the insurance unit. This percentage factor shall be based upon the relationship between the county average loss cost for 50-percent insurance and the county average loss cost for 75-percent insurance but shall not be less than 15 percent.

(f) The minimum rate for 50-percent lint insurance shall be one-third of the minimum rate for 75-percent lint insurance.

(g) To pay the premium for protection against loss of cottonseed, the premium rate for lint cotton insurance shall be increased by 20 percent on American Upland cotton and by 15 percent on American Egyptian.

(h) Notwithstanding the provisions of subsection (a) of this section, the Corporation may establish premium rates by means of premium rate schedules, provided such method achieves the establishment of rates for insurance units in the same yield classification that are determined by the Corporation to be fair and just.

(i) The maximum premium rate per acre for lint insurance shall be one-half of the lint cotton insurance per acre established for the insured percentage as approved under the insurance contract.

Section 163 Average yields and premium rates where farm varies widely in productivity or farming hazards or where tracts of the farm are widely separated.--If the land comprising any farm consists of tracts varying widely in productivity, topography, or farming hazards, or if tracts of the farm are widely separated, separate average yields and premium rates may be established by the Corporation for such tracts on the basis of appraisal, taking into consideration the yield data available.

Section 164 County check yields.--(a) County check yields shall be established by the Corporation by averaging the county check yield established for the 1942 Cotton Crop Insurance Program (except in those counties in which the 1942 county check yield was identical with the 1942 Agricultural Conservation Program county normal yield, in which cases the average yield for a representative period shall be used) adjusted for changes in farming operations, where necessary, with the 1941 average yield in the county, giving a weight of nine to the 1942 county check yield, as adjusted, and a weight of one to the 1941 county average yield: Provided, however, That if the county check yield thus computed differs by more than five percent from the 1942 county average yield used in computing the 1943 county check yield, such yield shall be limited to a value which shall be not less than 95 percent nor more than 105 percent, plus a certain portion (determined by the Corporation to be reasonable) of the calculated percentage increase in excess of 105 percent, of such 1942 county average yield.

(b) The Corporation may establish check yields which it deems fair and just for administrative areas other than a county.

Section 165 County check premium rates.---(a) The Corporation shall establish county check premium rates on the basis of average loss costs for the county, for a period determined by the Corporation to be representative from annual yield data for the county during such period, and the relationship between yields and loss costs for sample farms in the county selected for actuarial purposes adjusted to reflect extraordinary conditions of loss included in actuarial data available to the Corporation and to reflect farming hazards not included in actuarial data available to the Corporation.

(b) The Corporation may establish check premium rates which it deems fair and just for administrative areas other than a county.

Section 166 Average yields and premium rates for fractional parts of a farm and for farms which are combined or divided after the listing sheets are prepared.---(a) The average yield and premium rate for a fractional part of a farm which is to be insured as a separate insurance unit shall be the same as the average yield and premium rate for the entire acreage considered in establishing such average yield and premium rate.

(b) Where due to combinations of insurance units after yields and rates applicable to the component parts of the combination have been approved by the Corporation and determination of the acreage planted to cotton on such component parts is not feasible or practical, average yields and premium rates for the acreage comprising such combinations may be established by the Corporation, provided the combination was effected before the planting of any cotton on the combination. Such determinations shall be based upon the average yield and premium rate for farms similar in acreage, farming practices, topography, and farming hazards, taking into consideration the average yield(s) and premium rate(s) for the original farm(s).

Section 167 Average yields and premium rates for special farming practices and for American Egyptian cotton.---In areas where farming practices are followed which are determined by the Corporation to be special practices or where American Egyptian cotton is grown, yields and premium rates may be established for each special practice or for American Egyptian cotton for the county or administrative area and for individual insurance units. The method used for establishing average yields and premium rates for a special practice or for American Egyptian cotton shall be substantially the same as that used for establishing the yields and premium rates for the general practice or for American Upland cotton. Premium rates for American Egyptian cotton may be established by means of premium rate schedules as provided for in section 162, subsection (h) of these regulations. The yield and premium rate thus established for the insurance unit(s) shall apply to the acreage

of cotton planted on the insurance unit under the special farming practice or to the acreage planted to American Egyptian cotton on the insurance unit.

Section 168 Yield and rate appeals.--An applicant may appeal for a change in the amount of lint cotton insurance per acre or premium rate per acre, established under these regulations with respect to a farm, in accordance with instructions issued by the Corporation.

GENERAL

Section 171 Meaning of terms.--For the purpose of the 1943 Cotton Crop Insurance Program, the term:

(a) Average yield means the average yield of lint cotton per acre established by the Corporation for each insurance unit.

(b) Cash equivalent price per pound means the net price per pound of lint cotton established by the Corporation for the area in which the insurance unit is located on the basis of the price of lint cotton at the applicable spot market with differentials for the location of the area in which the insurance unit is situated.

(c) Closing date means the final date for the submission of applications for insurance to the office of the county committee, or the beginning of the planting of the cotton crop on any of the insurance units covered by the application for insurance, whichever occurs first. Such dates are specified by areas in section 178 hereof.

(d) Corporation means the Federal Crop Insurance Corporation.

(e) Cotton crop means only American Upland, or American Egyptian cotton when yields and rates have been approved by the Corporation, and does not include any cotton planted primarily for experimental purposes.

(f) Crop year means the period within which the cotton crop is planted and normally harvested, and shall be designated by reference to the calendar year in which the crop is planted.

(g) County means a political or civil division of a state and includes parishes in Louisiana.

(h) County committee means the group of persons elected within any county to assist in the administration of the agricultural conservation program in such county.

(i) Farm means all adjacent or nearby farm land under the same ownership which is operated by one person, including also: (1) Any other adjacent or nearby farm land which the county committee determines is operated by the same person as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other lands; and (2) any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county or administrative area, as the case may be, in which the principal dwelling is situated, or, if there is no dwelling thereon, it shall be regarded as located in the county or administrative area, as the case may be, in which the major portion of the farm is located.

(j) Insurance contract means the contract of insurance entered into between the applicant and the Corporation by virtue of the application for insurance and these regulations and any amendments thereto.

(k) Insured percentage means the percentage of the average yield of lint cotton per acre for the insurance unit covered by an insurance contract, and shall be either 50 or 75 percent.

(l) Insurance unit with respect to each insured shall be all or a portion of the acreage considered as a farm for the purpose of establishing the average yield and premium rate in which the insured has an interest as a cotton producer at the time of its planting except that when such acreage consists of land, part of which is regularly irrigated and the remainder never irrigated, or land upon part of which American Upland is grown and upon part of which American Egyptian is grown, or when separate yields and rates have been established for widely separated parts of a farm, such portions shall be considered separately for the purpose of establishing insurance units.

(m) Landlord or owner means a person who owns farm land and either rents such land to another person or operates it as a farm.

(n) Lint cotton insurance per acre means the number of pounds of lint cotton per acre for which the applicant is insured and shall be based upon the insured percentage.

(o) Maximum insurable acreage means the largest number of acres of cotton which may be insured on an insurance unit. Such acreage shall be the cotton acreage allotment for the insurance unit under the then current agricultural conservation program. In the event that the insurance unit is a part of the farm for which such cotton acreage allotment is established, the total of the

maximum insurable acreages for all units constituting the farm shall not exceed such allotment and, if the cotton planted on all such units does exceed such allotment, the maximum insurable acreage for each such unit shall be the same percentage of the acreage planted to cotton on the unit as the cotton acreage allotment for the farm is of the total acreage planted to cotton on all such units. The term cotton acreage allotment shall also mean permitted acreage where applicable.

(p) Operator means a person who as landlord or cash tenant, or standing or fixed-rent tenant, is operating a farm, or who as a share tenant is operating a whole farm.

(q) Person means an individual, partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity and, wherever applicable, a state, a political subdivision of a state, or any agency thereof.

(r) Premium rate means the premium rate per acre established by the Corporation.

(s) Sharecropper means a person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of the cotton crop thereon or of the proceeds therefrom.

(t) State committee means the group of persons designated within any state to assist in the administration of the agricultural conservation program in such state.

(u) Tenant means a person other than a sharecropper who rents land from another person (for cash, a fixed commodity payment, or a share of the crop or proceeds therefrom), and is entitled under a written or oral lease or agreement to receive all or a share of the crop or proceeds therefrom produced on such land.

Section 172 Restriction on purchase and sale of cotton by the Corporation.--The restriction on the purchase and sale of cotton, as provided in section 508(d) of the Federal Crop Insurance Act, as amended, reads in part as follows:

"Insofar as practicable, the Corporation shall purchase the agricultural commodity only at the rate and to a total amount equal to the payment of premiums in cash by farmers or to replace promptly the agricultural commodity sold to prevent deterioration; and shall sell the agricultural commodity only to the extent necessary to cover payments of indemnities and to prevent deterioration: Provided, however, That nothing in this section shall prevent prompt

offset purchases and sales of the agricultural commodity for convenience in handling. Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity."

Section 173 Records and access to farm.--For the purpose of enabling the Corporation to determine the loss, if any, that may have occurred under the insurance contract, the insured shall keep, or cause to be kept, records of the harvesting, ginning, storage, shipment, sale, or other disposition of all cotton produced on each insurance unit covered by the insurance contract. Such records shall be made available for examination by the Corporation, and as often as may reasonably be required, any person or persons designated by the Corporation shall have access to the farm. (See section 127 (b) hereof.)

Section 174 Review of determinations of county committees.--All determinations by a county committee shall be subject to review and approval or revision by duly authorized representatives of the Corporation.

Section 175 Applicant's warranties; voidance for fraud.--In applying for insurance the applicant warrants that the information, data, and representations submitted by him in connection with the insurance contract are true and correct, and are made by him, or by his authority, and shall be taken as his act. The insurance contract may be voided and the premium forfeited to the Corporation without the Corporation's waiving any right or remedy, including its right to collect the amount of the note executed by the insured, whether before or after maturity, if at any time the insured has concealed any material fact or made any false or fraudulent statements relating to the insurance contract; the subject thereof, or his interest in the cotton crop covered thereby, or if the insured shall neglect to use all reasonable means to produce, care for or save the cotton crop covered thereby, whether before or after damage has occurred, or if the insured fails to give any notice, or otherwise fails to comply with the terms of the contract, including the note, at the time and in the manner prescribed.

Section 176 Modification of insurance contract.--No notice to any county committee or representative of the Corporation or knowledge possessed by any such county committee or representative or by any other person shall be held to effect a waiver of or

change in any part of the insurance contract or to estop the Corporation from asserting any right or power under such contract; nor shall the terms of such contract be waived or changed except as authorized in writing by a duly authorized officer or representative of the Corporation; nor shall any provision or condition of the insurance contract or any forfeiture be held to be waived by any delay or omission by the Corporation in exercising its rights and powers thereunder or by any requirement, act, or proceeding, on the part of the Corporation or of its representatives, relating to appraisal or to any examination herein provided for.

Section 177 Fractional units in acres and yields.--Fractions of yields per acre shall be rounded to the nearest pound. Fractions of loss costs and premium rates shall be rounded to the nearest tenth of a pound. Fractions of pounds, other than loss costs and premium rates, shall be rounded to the nearest pound. Fractions of acres representing total acres of cotton shall be rounded to the nearest tenth of an acre. Computations shall be carried to one digit beyond the digit that is to be rounded. If the extra digit computed is 1, 2, 3, or 4, the rounding shall be downward. If the extra digit computed is 6, 7, 8, or 9, the rounding shall be upward. If the extra digit computed is 5, the computation shall be carried to another digit. If the two extra digits are 50, the rounding shall be downward, and if the two extra digits are 51 or any higher figure, the rounding shall be upward.

Section 178 Closing dates for submission of applications.--The closing dates established by the Corporation for the submission of applications to the office of the county committee are as follows:

ALABAMA.--April 1 for the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Etowah, Fayette, Franklin, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Pickens, Randolph, St. Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston.

March 15 for all other counties in the state.

ARIZONA.--March 15 for American Upland; March 1 for American Egyptian, for all counties.

ARKANSAS.--April 1 for all counties.

CALIFORNIA.--December 31 for Tulare Lake area of Kings County.

March 15 for remainder of Kings County and all other counties of the state.

FLORIDA.--March 15 for all counties.

GEORGIA.--April 1 for the counties of Baldwin, Banks, Barrow, Bartow, Butts, Carroll, Catoosa, Chattooga, Cherokee, Clarke, Clayton, Cobb, Columbia, Coweta, Dade, Dawson, De Kalb, Douglas, Elbert, Fannin, Fayette, Floyd, Forsyth, Franklin, Fulton, Gilmer, Glascock, Gordon, Greene, Gwinnett, Habersham, Hall, Hancock, Haralson, Hart, Heard, Henry, Jackson, Jasper, Jones, Lamar, Lincoln, Lumpkin, McDuffie, Madison, Meriwether, Monroe, Morgan, Murray, Newton, Oconee, Oglethorpe, Paulding, Pickens, Pike, Polk, Putnam, Rabun, Richmond, Rockdale, Spalding, Stephens, Taliaferro, Towns, Troup, Union, Walker, Walton, Warren, White, Whitfield, and Wilkes.

March 15 for all other counties in the state.

ILLINOIS.--April 15 for all counties.

KANSAS.--April 15 for all counties.

KENTUCKY.--April 15 for all counties.

LOUISIANA.--March 15 for all counties.

MISSISSIPPI.--April 1 for the counties of Alcorn, Attala, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Clay, Coahoma, De Soto, Grenada, Holmes, Humphreys, Itawamba, Lafayette, Lee, Leflore, Lowndes, Marshall, Monroe, Montgomery, Noxubee, Oktibbeha, Panola, Pontotoc, Prentiss, Quitman, Sunflower, Tallahatchie, Tate, Tippah, Tishomingo, Tunica, Union, Washington, Webster, Winston, and Yalobusha.

March 15 for all other counties in the state.

MISSOURI.--April 15 for all counties.

NEW MEXICO.--For American Upland April 15 for the counties of Curry, Harding, Lea, Quay, and Roosevelt.

March 15 for all other counties in the state for both American Upland and American Egyptian.

NORTH CAROLINA.--April 1 for all counties.

OKLAHOMA.--April 1 for the counties of Adair, Atoka, Bryan, Carter, Cherokee, Choctaw, Coal, Haskell, Hughes, Johnston, Latimer, Le Flore, Love, McCurtain, McIntosh, Marshall, Murray, Muskogee, Okfuskee, Okmulgee, Pittsburg, Pontotoc, Pushmataha, Seminole, and Sequoyah.

April 15 for all other counties in the state.

SOUTH CAROLINA.--March 15 for the counties of Allendale, Bamberg, Barnwell, Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, and Jasper.

April 1 for all other counties in the state.

TENNESSEE.--April 1 for all counties.

TEXAS.--February 15 for the counties of Cameron, Hidalgo, Starr, and Willacy.

March 1 for the counties of Aransas, Atascosa, Austin, Bee, Brazoria, Brooks, Calhoun, Colorado, De Witt, Duval, Fayette, Fort Bend, Frio, Galveston, Goliad, Gonzales, Harris, Jackson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kleberg, La Salle, Lavaca, Live Oak, McMullen, Matagorda, Maverick, Nueces, Refugio, San Patricio, Victoria, Waller, Webb, Wharton, Wilson, Zapata, and Zavala.

March 15 for both American Upland and American Egyptian for the counties of Anderson, Angelina, Bastrop, Bell, Bexar, Blanco, Bosque, Brazos, Brewster, Burleson, Burnet, Caldwell, Chambers, Cherokee, Comal, Coryell, El Paso, Falls, Freestone, Gillespie, Grimes, Guadalupe, Hamilton, Hardin, Hays, Houston, Hudspeth, Irion, Jasper, Jefferson, Kendall, Kerr, Kimble, Lampasas, Lee, Leon, Liberty, Limestone, Llano, McLennan, Madison, Mason, Medina, Milam, Montgomery, Nacogdoches, Newton, Orange, Panola, Pecos, Polk, Presidio, Reeves, Robertson, Rusk, Sabine, San Augustine, San Jacinto, Schleicher, Shelby, Travis, Trinity, Tyler, Uvalde, Walker, Ward, Washington, and Williamson.

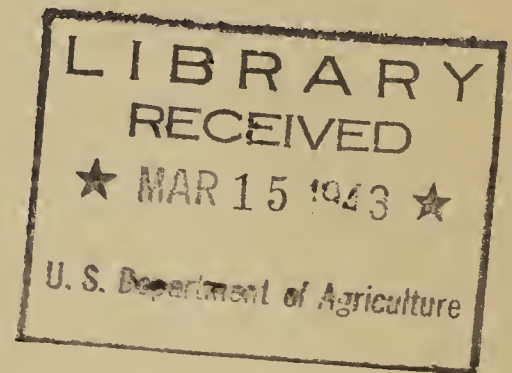
April 1 for the counties of Andrews, Borden, Bowie, Brown, Callahan, Camp, Cass, Coke, Coleman, Collin, Comanche, Concho, Cooke, Dallas, Dawson, Delta, Denton, Eastland, Ellis, Erath, Fannin, Fisher, Franklin, Gaines, Glasscock, Grayson, Gregg, Harrison, Henderson, Hill, Hood, Hopkins, Howard, Hunt, Johnson, Jones, Kaufman, Lamar, Marion, Martin, McCulloch, Menard, Midland, Mills, Mitchell, Morris, Navarro, Nolan, Palo Pinto, Parker, Rains, Red River, Rockwall, Runnels, San Saba, Scurry, Shackelford, Smith, Somervell, Stephens, Sterling, Tarrant, Taylor, Titus, Tom Green, Upshur, Van Zandt, and Wood.

April 15 for the counties of Archer, Armstrong, Bailey, Baylor, Briscoe, Carson, Castro, Childress, Clay, Cochran, Collingsworth, Cottle, Crosby, Deaf Smith, Dickens, Donley, Floyd, Foard, Garza, Gray, Hale, Hall, Hardeman, Haskell, Hemphill, Hockley, Jack, Kent, King, Knox, Lamb, Lipscomb, Lubbock, Lynn, Montague, Motley, Parmer, Randall, Stonewall, Swisher, Terry, Throckmorton, Wheeler, Wichita, Wilbarger, Wise, Yoakum, and Young.

VIRGINIA.--April 1 for all counties.

Section 179 Maturity dates for premium notes under the Cotton Crop Insurance Program.--The maturity dates for cotton crop insurance premium notes shall be six months after the closing dates established by the Corporation for the submission of applications to the office of the county committee, as stated in section 178.

COTTON CROP INSURANCE REGULATIONS



ISSUED FEBRUARY 1943

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
WASHINGTON, D. C.

COTTON CROP INSURANCE REGULATIONS

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The Federal Crop Insurance Program is part of the general program of the United States Department of Agriculture administered for the benefit of agriculture.

By virtue of the authority vested in the Federal Crop Insurance Corporation by the Federal Crop

Insurance Act of 1938, as amended, these regulations are hereby published and prescribed to be in force and effect, with respect to the cotton crop insurance program, until amended or superseded by regulations hereafter made.

MANNER OF OBTAINING INSURANCE ¹

SECTION 101 *Application for insurance.*—Application for insurance, on a form prescribed by the Corporation for such purpose, may be made by any person to cover his interest as landlord, owner, tenant, or sharecropper in cotton to be grown in the current year. If an applicant has an interest in both American Upland cotton and American-Egyptian cotton, such applicant may insure either or both, using a separate application for American Upland cotton and for American-Egyptian cotton, and if an application for American Upland cotton or American-Egyptian cotton is submitted, only that cotton for which the application is submitted will be covered. An application shall cover the applicant's interest in the cotton crop on each insurance unit in the county in which the applicant has an interest at the beginning of the planting thereof. Applications shall be submitted to the office of the county committee on or before the applicable closing date established by the Corporation for the county or area in which the insurance unit is located. These regulations shall apply to each application submitted regardless of whether it is to cover American-Egyptian or American Upland cotton and any provisions of these regulations shall be construed as applying to both types of cotton unless the context specifically indicates otherwise.

SECTION 102 *Acceptance of applications by the Corporation.*—(a) Upon acceptance of an application by the county committee, as evidenced by the signature of a county committeeman for and on behalf of the county committee in the space provided on the application, the insurance contract shall be in effect provided that such application is submitted in accordance with the provisions of the application and of these regulations and any amendments thereto. Applicant's copy of accepted application is intended for delivery to the applicant. Each change in the data originally shown on the application shall be deemed to have been assented to by the applicant if such change is shown on the applicant's copy of the accepted application and he has not filed with the county committee a written objection to such change within ten days after his copy has been forwarded to him.

(b) The Corporation reserves the right to reject any application for insurance or to limit the insurance on the applicant's interest to 50 percent of the average yield for each insurance unit covered by the application in any case where the county committee determines that the risk which would be incurred warrants either such action.

¹ Definitions of terms for purposes of the cotton crop insurance program are contained in section 171 hereof.

PREMIUM FOR INSURANCE CONTRACT

SECTION 111 *Amount of premium.*—(a) The premium for each insurance unit under the contract shall be the number of pounds of lint cotton determined by multiplying the acreage of cotton planted on such insurance unit (as determined by the Corporation but not in excess of the maximum insurable acreage), by the premium rate per acre and by the insured's interest in the crop at the beginning of its planting. If more than one premium rate has been established for the insurance unit, a premium shall be computed separately using the applicable acreage for each rate, and the total of the amounts so computed shall be the premium for the insurance unit. The premium for the insurance contract shall be the total of the premiums for the insurance units covered by the contract. The premium with respect to each insurance unit shall be regarded as earned when the cotton crop on such unit is planted. The minimum premium payable by the insured with respect to any insurance contract shall be ten pounds of cotton.

(b) The applicant's annual premium may be reduced in any year not to exceed 50 percent, if it is determined by the Corporation from a comparison of the insured production with the accumulated balance of premiums paid over indemnities received (with appropriate adjustments for insurance on cottonseed) on consecutively insured crops, that the risks on cotton crops produced by the insured justify such reduction. Nothing in this provision shall create in the insured any right to a reduced premium as a result of the total premiums he has paid exceeding the total indemnities he has received.

SECTION 112 *Manner of payment of premium.*—(a) Each applicant for insurance shall sign a note in the form and manner prescribed by the Corporation. Such note shall represent a promise to pay the Corporation the total premium for all insurance units covered by the insurance contract and shall be payable on or before the maturity date specified in section 179 hereof. Such note shall not bear interest.

(b) Payment on any such note may be made in whole or in part before maturity, either in cotton

or cash, or both. After maturity, payment may be made only in cash. In connection with any payment before maturity, there shall be credited on the note the number of whole pounds of lint cotton computed by dividing the payment made (the proceeds of the sale of cotton if cotton is paid) by the cash equivalent price per pound for the date of payment. The amount of any such note due at maturity shall be the cash equivalent thereof based on the cash equivalent price per pound applicable for such maturity date.

(c) Any unpaid amount on any such note (either before or after the date of maturity) may be deducted from any indemnity payable under the contract, from the proceeds of any commodity loan to the insured, and from any payment made to the insured under the Soil Conservation and Domestic Allotment Act, as amended, or any other act of

Congress administered by the United States Department of Agriculture. Where any such deduction is made before the date of maturity, the cash equivalent of the deduction will be based on either the cash equivalent price used in computing the indemnity payment or the cash equivalent price in effect on the day the county committee approves such loan or other payment. Such price shall also be used in determining the number of pounds of lint cotton to be credited on the note.

(d) Payments in cash shall be made by means of cash or by check, money order, or bank draft payable to the order of the Treasurer of the United States. All checks and drafts will be accepted subject to collection, and payments tendered shall not be regarded as paid unless collection is made. When a payment is made in cotton, it shall be by means of an instrument acceptable to the Corporation representing salable cotton.

INSURANCE COVERAGE

SECTION 121 *Insurance period.*—Insurance with respect to any insurance unit shall attach at the time the crop is planted and shall cease with respect to any portion of the crop upon weighing in at the gin, other disposal after harvest, transfer of interest in unharvested cotton after harvest is commenced, or January 31 of the year following the year in which the insured crop was planted, whichever occurs first, unless such date is extended in writing by the Corporation.

SECTION 122 *Insured production.*—The insured production for each insurance unit under the contract shall be the number of pounds of cotton determined by multiplying the acreage of cotton planted (as determined by the Corporation but not in excess of the maximum insurable acreage as defined in paragraph 171 (c) hereof) by the average yield per acre, by the insured percentage, and by the insured's interest in the crop at the beginning of its planting. If more than one average yield has been established for the insurance unit, the insured production shall be computed separately, using the applicable acreage for each yield, and the total of such computed amounts shall be the insured production for the insurance unit.

SECTION 123 *Causes of loss or damage insured against.*—The insurance contract shall cover loss in yield of cotton due to drought, flood, hail, wind, frost, lightning, fire, tornado, storm, insect infestation, animal pests, plant diseases, excess or deficient moisture, incursions of animals, and such other unavoidable causes not specifically mentioned herein as

may be determined by the Board of Directors of the Corporation, and loss caused by direct enemy attack or as a direct result of the actions of our own forces in resisting such attack. The contract shall not cover damage to quality, or loss in yield caused by the neglect or malfeasance of the insured or of any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand, nor shall it cover losses caused by theft, use of defective or unadapted seed, failure properly to prepare the land for planting, or properly to plant, care for, or harvest the insured crop, or by failure to replant the cotton in areas and under circumstances where the Corporation determines it is customary to replant, or, where insurance is written on an irrigated basis, failure properly to apply irrigation water to cotton in proportion to the amount of water available for all irrigated crops.

SECTION 124 *Notice of transfer, damage, removal, etc., of cotton crop.*—(a) Unless otherwise provided by the Corporation, notice in writing shall be given the Corporation at the office of the county committee (1) immediately after the cotton crop or any portion thereof is transferred to another person, or (2) if a loss is probable, immediately after any material damage to the insured crop and before the crop is harvested, removed, or any other use is made of it. Any such notice shall be given in time to allow the Corporation to make appropriate investigation.

(b) Any portion of the cotton crop that has been destroyed or substantially totally destroyed may be

put to another use only with the consent of the Corporation subject to an appraisal by the Corporation of the yield that would be realized if such portion of the crop remained for harvest. No acreage planted to cotton shall be considered as put to another use as long as any cotton on such acreage is remaining for harvest. Proper measures shall be taken to protect the crop from further damage, and there shall be no abandonment of any crop or portion thereof to the Corporation.

SECTION 125 *Time of loss.*—Loss, if any, shall be deemed to have occurred at the completion of weighing in of the insured crop at the gin, or disposal of the harvested crop, or January 31 of the year following the year in which the insured crop was planted (unless such time is extended in writing by the Corporation), whichever occurs first, unless the Corporation determines that total or substantially total destruction of the cotton crop occurred earlier, in which event the loss shall be deemed to have occurred on the date so determined by the Corporation. The cotton crop shall be deemed to have been substantially totally destroyed if the Corporation finds that it has been so badly damaged that farmers generally in the area where the farm is located and on whose farms similar losses occurred would not further care for the crop or harvest any portion thereof.

SECTION 126 *Proof of loss.*—If a loss is claimed, the insured shall submit to the Corporation at the office of the county committee, on a form prescribed by the Corporation, a statement in proof of loss containing such information as may be required regarding the insured crop. Such statement in proof of loss shall be submitted not later than 30 days after the time of loss, unless such time is extended in writing by the Corporation. It shall be a condition precedent to any liability under the insurance contract that the insured establish that any loss for which claim is made has been directly caused by one or more of the hazards insured against by the insurance contract during the term of the contract, and that the insured further establish that such loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against by the insurance contract.

SECTION 127 *Amount of loss.*—(a) The amount of loss for which indemnity will be payable with respect to any insurance unit will be the insured production under the contract for such insurance unit less the interest insured under the contract (at the time harvest is commenced) in the lint cotton harvested from the insurance unit and not destroyed, and the appraised production of lint cotton not harvested: *Provided, however,* That such amount

shall be subject to one or more of the following reductions, whenever applicable, multiplied by the insured's interest in the crop at the time harvest is commenced or, if the crop is not harvested, at the time of loss:

(1) With respect to American Upland cotton where any acreage of cotton planted is put to another use with the consent of the Corporation, the number of pounds of cotton equal to the appraised production which would have been obtained from such acreage if it had not been put to such other use;

(2) Where any acreage of cotton is not replanted to cotton in areas and under circumstances where the Corporation determines it is customary to replant cotton, the number of pounds of cotton by which the amount of cotton, determined as the production from such acreage, is less than the product of the acreage, the average yield, and the insured percentage;

(3) Where a reduction in production of cotton on any acreage results either in whole or in part from one or more causes not insured against, including (i) the use of such acreage for any purpose other than the production of cotton, without the consent of the Corporation, and (ii) failure properly to apply irrigation water to cotton in proportion to the water available for all irrigated crops in instances in which insurance is written on an irrigated basis, a number of pounds equal to the appraised reduction in production, except that with respect to any acreage on which there is a complete failure in yield due solely to a cause not insured against, such number of pounds shall not be less than the product of the acreage, the average yield, and the insured percentage;

(4) Where any acreage of cotton is planted on acreage of poorer average quality than the average quality of the land considered in establishing the average yield and premium rate and such planting was not the result of an established rotation, or where the Corporation's risk has been increased upon any acreage by (i) planting a variety of cotton different from the variety of cotton considered in establishing the average yield or premium rate, (ii) following a fertilizer or other practice, in connection with the production of cotton on the insurance unit, different from that taken into consideration in establishing the average yield and premium rate for the unit, or (iii) planting the cotton crop under conditions of immediate hazard without adjustment of the average yield or premium rate to reflect such hazard, a number of pounds equal to the product of such acreage, the insured percentage, and the number of pounds of cotton per acre representing the difference between the average yield established and the yield appraised

on the basis of the quality of the land seeded, the variety of cotton planted, the practice followed, or the immediate hazard at the time of planting, as the case may be. This adjustment shall be made for any one or more of the reasons listed in this item, notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause;

(5) Where the insurance unit consists of only a portion of the acreage considered in establishing the average yield and premium rate and the average productivity or farming hazards for such unit differs materially from the average productivity or farming hazards for the acreage considered in establishing the average yield and premium rate and the loss is caused by such difference, a number of pounds of cotton representing the product of the difference between the average yield per acre established for the acreage of which such unit is a part and the average productivity per acre appraised for such unit, the acreage of cotton on such unit, and the insured percentage;

(6) Where the loss is caused by inability to obtain labor, fertilizer, machinery, repairs, or insect poisons, as a result of war conditions, and a reasonable effort has been made to obtain such labor, fertilizer, machinery, repairs, insect poisons, or other farming essentials as may be approved by the Corporation, a number of pounds of cotton of not less than the smaller of either (i) the equivalent of the savings in cost of producing the insured crop, including harvesting and ginning, computed by dividing the savings in cost by 120 percent of the applicable cash equivalent price per pound for American Upland cotton and by 115 percent for American-Egyptian cotton, or (ii) the amount of loss attributable to such cause.

(7) Where any acreage of American-Egyptian cotton planted is totally or substantially totally destroyed before July 2, the number of pounds of cotton equal to the appraised production from such acreage: *Provided, however,* That the appraised production for such acreage shall not be less than 82 percent of the lint cotton insurance per acre if the crop is totally

or substantially totally destroyed on or before April 30. Such percentage limitation shall be decreased by one percent per day from May 1 to May 31, inclusive, and by one-half of one percent per day from June 1 to July 2, inclusive. The county committee shall determine the date of the total or substantially total destruction of the cotton crop or of the portion of the acreage of the cotton crop affected, as the case may be, which date shall be the date for determining the amount of the appraised production and the percentage limitation on the appraised production with respect to such crop or acreage; and

(8) With respect to American-Egyptian cotton, for any acreage not totally or substantially totally destroyed before July 2, 35 percent of the number of pounds of cotton by which the lint cotton produced on the insurance unit is less than the product of the lint cotton insurance per acre and such acreage not totally or substantially totally destroyed before July 2, except that if the cotton that has been harvested is destroyed before weighing in at the gin, the adjustment made for such cotton shall be only for the number of pounds of lint cotton equivalent to the savings in costs. The production shall be appraised for any cotton not harvested on acreage not totally or substantially totally destroyed before July 2.

(b) Where the insured fails to establish and maintain records of acreage or production for the component parts of a combination of two or more insurance units or portions thereof, the insurance contract may be voided by the Corporation and the premium forfeited by the insured: *Provided, however,* That if all the component parts of the combination are insured the insured production for the combination shall be ascertained and any loss for such combination shall be determined as outlined in paragraph (a) of this section.

(c) In order to cover loss of cottonseed on any insurance unit, there shall be added to the amount of loss determined under paragraph (a) of this section a number of pounds of lint cotton equal to 20 percent of such amount of loss of American Upland cotton or a number of pounds of lint equal to 15 percent of such amount of loss of American-Egyptian cotton.

PAYMENT OF INDEMNITY

SECTION 131 *When indemnity payable.*—The amount of loss for which the Corporation may be liable with respect to any farm covered by the insurance contract shall be payable within 30 days after satisfactory proof of loss is approved by the Corporation. However, if payment of any indemnity

is delayed for any reason beyond the time specified, the Corporation shall not be liable for interest or damages on account of such delay.

SECTION 132 *Indemnity payment.*—(a) Any indemnity due under the insurance contract will be paid by the issuance of a certificate of indemnity

on which will be shown the amount of loss. Settlement under such certificate will be made in cash or cotton in accordance with these regulations. Such certificate may also be used to obtain a loan from the Commodity Credit Corporation, if loans are available, in accordance with instructions issued by it.

(b) Any indemnity payable under an insurance contract shall be paid to, and settlement under the certificate of indemnity made with, the insured, his beneficiary, or such other person as may be entitled to the benefits of the insurance contract under the provisions of these regulations, notwithstanding any attachment, garnishment, receivership, trustee process, judgment, levy, equity, or bankruptcy directed against the insured or such other person, or against any indemnity alleged to be due to such person; nor shall the Corporation or any officer, employee, or representative thereof be a proper party to any suit or action with reference to such indemnity or the proceeds thereof nor be bound by any judgment, order, or decree rendered or entered therein. No officer, agent, or employee of the Corporation shall, because of any such process, order or decree, pay, or cause to be paid, to any person other than the insured, his beneficiary (designated by him in such form and manner as the Corporation may prescribe), or other person entitled to the benefits of the insurance contract, any indemnity payable, or any amount due in settlement of any certificate of indemnity in accordance with the provisions of the insurance contract. Nothing herein contained shall excuse any person entitled to the benefits of the insurance contract from full compliance with, or performance of, any lawful judgment, order, or decree with respect to the disposition of any sums paid thereunder as an indemnity.

SECTION 133 *Adjustments in connection with indemnity payments.*—Where an adjustment is made

in the amount of an indemnity, settlement for such adjustment may be made on the basis of a cash equivalent price per pound other than that used in making settlement under the certificate of indemnity originally issued.

SECTION 134 *Other insurance.*—If the insured has or acquires any other “all-risk” insurance against substantially all the risks that are insured against by the Corporation under the insurance contract on the crop or portion thereof covered in whole or in part by such other “all-risk” insurance contract, whether valid or not, or whether collectible or not, the liability of the Corporation shall not be greater than its share would be if the amount of its obligations were divided equally between the Corporation and such other insurer. In any case where an indemnity is paid to the insured by another government agency because of damage to the cotton crop, the Corporation reserves the right to determine its liability under the cotton crop insurance contract taking into consideration the amount paid by such other agency.

SECTION 135 *Subrogation.*—The Corporation may require from the insured an assignment of all rights of recovery against any person(s) for loss or damage to the extent that payment therefor is made by the Corporation, and the insured shall execute all papers required and shall do everything that may be necessary to secure such rights.

SECTION 136 *Suit.*—No suit or action shall be brought to enforce any claim for loss under the insurance contract unless all the requirements of such contract have been complied with.

SECTION 137 *Creditors.*—An interest existing by virtue of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or any other process shall not be considered an interest in an insured crop within the meaning of these regulations.

PAYMENT OF INDEMNITY TO PERSONS OTHER THAN ORIGINAL INSURED

SECTION 141 *Payment to transferee.*—Payment of indemnity will be made only to the person(s) having the insured interest in a cotton crop at the beginning of harvest or the time of loss, whichever occurs first. In the event there is a transfer of the insured interest in a cotton crop after planting and before the beginning of harvest, or the time of loss, whichever occurs first, the transferee shall be entitled to the benefits of the insurance contract as follows: (1) If the transfer is one of the entire insured interest in the crop or a percentage of such entire interest, the insurance unit shall not be changed,

and the transferee shall be entitled to indemnity payable with respect to the transferred interest; (2) if the transfer is one of the insured interest or a portion thereof in a portion of the acreage constituting the insured crop, the acreage with respect to which such interest is transferred shall constitute a separate insurance unit for the purposes of determining the amount of loss: *Provided, however,* That an involuntary transfer of an insured interest in a cotton crop solely because of the existence of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or other process shall

not entitle any holder of any such interest to any benefits under the insurance contract: *Provided, further*, That, if any transfer takes place after material damage to the insured crop or a portion thereof and the Corporation determines that the transfer was made for the purpose of requiring that the Corporation pay a greater indemnity than would have been paid if the transfer had not taken place, the Corporation shall not be liable for a greater amount of indemnity in connection with the insured crop than would have been paid if the transfer had not taken place. If, as a result of any such transfer, diverse interests appear, the indemnity, if any, payable with respect to such unit may be paid jointly to all persons having the insured interest in the crop at the time harvest is commenced or the time of loss, whichever occurs first, or to one of such persons on behalf of all such persons, and payment in any such manner shall constitute a complete discharge of the Corporation's liability under the insurance contract.

SECTION 142 *Death, incompetence, or disappearance of insured.*—(a) If no beneficiary has been designated by the insured (or if designated, is ineligible or unavailable) and if the insured dies, is judicially declared incompetent, or disappears, before the time of loss or the time harvest is commenced, whichever occurs first, and his insured interest in a cotton crop is a part of his estate at such time, or if insured dies, is judicially declared incompetent, or disappears subsequent to such time, the indemnity, if any, shall be paid to the legal representative of his estate, if one is appointed or is duly qualified. If no such representative is or will be so qualified, the indemnity shall be paid to the persons beneficially entitled to share in the insured's interest in the crop or to any one or more of such persons on behalf of all such persons: *Provided, however*, That if the indemnity represents a number of pounds of cotton, the cash equivalent of which exceeds \$500, the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is duly qualified to receive such payment.

(b) If no beneficiary has been designated by the insured (or if designated, is ineligible or unavailable) and if the insured dies, is judicially declared incompetent, or disappears before the time harvest is commenced, or the time of loss, whichever occurs first, and his interest in the crop is not a part of his estate at such time, the indemnity, if any, shall be paid to the person(s) who succeeded to his interest in the crop in the manner provided for in section 141.

(c) If a beneficiary has been named by the insured and if the insured dies, is judicially declared incompetent, or disappears, payment of any indemnity

to which the insured is entitled will be made to such beneficiary if eligible and available.

(d) If an applicant for insurance dies, is judicially declared incompetent, or disappears, before the cotton crop intended to be covered by the application is planted, whoever succeeds him on the farm with the right to plant the cotton crop as his heir or heirs, administrator, executor, guardian, committee, or conservator shall become a party in his stead to the contract for which he applied upon filing with the office of the county committee, within 15 days (unless such period is extended by the Corporation) after such death, judicial declaration, or disappearance, a statement in writing requesting and undertaking such substitution, provided that at the time of such filing there has not been and is not imminent a loss of the crop for which an indemnity would be payable if the insurance had already attached to the crop.

(e) The insured shall be deemed to have disappeared within the meaning of these regulations if he fails to file with the county committee written notice of his new mailing address within 180 calendar days after any communication by or on behalf of the Corporation is returned undeliverable at the address stated in the Proof of Loss or after such loss has been established otherwise, whichever is earlier.

SECTION 143 *Collateral assignment of right under insurance contract.*—The right to an indemnity under an insurance contract may be assigned by the original insured as collateral security for a current loan, current advance to assist in the making of a cotton crop, the amount of the current year's rental due under a leasing agreement with respect to the insurance unit upon which the cotton crop is or will be planted, or the amount of the current annual installment due under a mortgage, purchase, or trust agreement covering the purchase of the insurance unit upon which the cotton crop is or will be planted and an additional amount of any delinquency which may be due under the mortgage, purchase, or trust agreement of not to exceed the amount of the current annual installment, including interest and taxes. Such assignment shall be made by the execution of a form prescribed by the Corporation and, upon approval thereof by the Corporation, the interests of the assignee will be recognized in the event an indemnity is payable under the insurance contract, to the extent of the amount determined to be the unpaid balance of the amount (including interest and other charges) for which such assignment was made as collateral security: *Provided, however*, That (1) the Corporation in payment of the indemnity may issue a check payable jointly to all persons entitled thereto and that such payment shall constitute a complete discharge of the Corporation's

obligation with respect to any loss under the insurance contract; and (2) payment of any indemnity will be subject to all conditions and provisions of the insurance contract. The Corporation's approval of an assignment shall not create in the assignee any right other than that derived from the assignor. The Corporation shall in no case be bound to accept notice of any assignment of the insurance contract, and nothing contained in any assignment shall give any right against the Corporation to any person other than the insured except to an assignee approved by the Corporation. Only one such assignment will be recognized in connection with the insurance contract, but if an assignment is released a new assignment of the right to an indemnity under the insurance contract may be made.

SECTION 144 *Fiduciaries.*—Any indemnity payable under an insurance contract entered into in the name of a fiduciary who is no longer acting in such capacity at the time for the payment of indemnity and settlement under the certificate of indemnity will be made to the succeeding fiduciary upon appropriate application and proof satisfactory to the Corporation of his incumbency. In the event there is no succeeding fiduciary, payment of the indemnity and settlement under the certificate of indemnity shall be made to the persons beneficially entitled under these regulations to the insured interest in the crop to the extent of their respective interests upon proper application and proof of the facts: *Provided, however,* That the loss may be adjusted with any one or more of the persons so entitled, and payment may be made to such person or persons in behalf of all the persons so entitled, whether or not the person to whom payment is made has been authorized to receive such payment by the other persons so entitled.

SECTION 145 *Indemnities subject to all provisions of insurance contract.*—Indemnities payable to any person shall be subject to all the provisions of the insurance contract, including the right of the Corporation to deduct from any such indemnity the unpaid amount of the note of the original insured for the payment of the earned premium: *Provided, however,* That in case of a transfer of an interest in an insured crop, such deduction to be made from an indemnity payable to the transferee shall not exceed the premium due on the interest in the crop so transferred. Any indemnity payable to any person other than the original insured as a result of transfer, or otherwise, shall be subject to any collateral assignment of the insurance contract by the original insured.

SECTION 146 *Determination of person to whom indemnity shall be paid.*—In any case where the insured has transferred his interest in all or a portion of the cotton crop on any farm, has died, has become incompetent, has disappeared, has ceased to act as a fiduciary, or has designated a beneficiary or, if designated, such beneficiary is deceased or is otherwise unavailable or ineligible, payment in accordance with the provisions of these regulations will be made only after the facts have been established to the satisfaction of the Corporation. The determination of the Corporation as to the existence or nonexistence of a circumstance in the event of which payment may be made and of the person(s) to whom such payment shall be made shall be final and conclusive. Payment of any indemnity under this section shall constitute a complete discharge of the Corporation's obligation with respect to the loss for which such indemnity is paid and settled and shall be a bar to recovery by any other person.

DEPOSITS, REFUNDS OF DEPOSITS, AND EXCESS NOTE PAYMENTS

SECTION 151 *Deposits to be applied toward payment of notes for future crop years.*—(a) Any payment made by or for an applicant in excess of an amount equal to the number of pounds of lint cotton required to pay the note shall be credited as a deposit to be applied toward payment of the premium in the next succeeding crop year. Such deposit shall be stated in terms of the cotton equivalent of the payment made. The cotton equivalent shall be determined by dividing the amount of such excess payment by the cash equivalent price per pound applicable for the date on which the excess payment was made. The Corporation reserves the right to reject any tender of deposit.

(b) The acceptance of any deposit shall not obligate the Corporation to insure the interest of the depositor under any insurance contract, and any such deposit will be subject to the provisions of the insurance contract for the year in which the deposit is used. The depositor shall have no title or interest in any lint cotton held by the Corporation, including that deposited by him, and the Corporation shall be liable to the depositor only for the cash equivalent price per pound for each pound of the quantity of cotton credited to the insured's account.

SECTION 152 *Refunds of deposits.*—Except as otherwise may be provided by the Corporation, no claim for refund of a deposit shall be made prior to

the final date fixed by the Corporation for receipt of applications for the next succeeding Cotton Crop Insurance Program in the county in which the insurance unit covered by the insurance contract is located, unless an earlier time for such filing is fixed by the Corporation: *Provided, however, That the Corporation may refund any deposit at such earlier date as it may determine.* The cash equivalent price per pound of any refund of deposit shall be determined by multiplying the number of pounds of cotton credited to the insured's account by the cash equivalent price per pound applicable for the date on which the deposit was tendered.

SECTION 153 *Refunds of excess note payments.*—

(a) Before maturity of note: The Corporation shall not be required to make a refund of any excess payment made on account of a note until the acreage planted to cotton on all insurance units covered by the insurance contract has been determined. However, an earlier date may be fixed by the Corporation. The cash equivalent of any refund shall be determined on the basis of the number of pounds of lint cotton to be refunded and the cash equivalent price for the appropriate grade and staple of such lint cotton, effective for the date such payment was submitted to the Corporation. If more than one payment is made on the note for the crop insurance premium, the payments shall be applied in the order of submittal to the Corporation. In computing the amount of any refund the payments shall be considered in their inverse order and each such payment or portion thereof shall be regarded

as a separate payment in determining the cash equivalent of the refund.

(b) After maturity of note: Payments received after the maturity of the note for the payment of the crop insurance premium shall be refunded in the actual amount of money paid to the Corporation in excess of that determined to be necessary to pay such note.

There shall be no refund of an amount less than \$1.00, with respect to payments made either before or after the maturity of the note, unless written request for such refund is received by the Corporation within one year after the date of maturity of the note.

SECTION 154 *Assignment or transfer of claims for refunds.*—No claim for a refund, or any part or share thereof, or any interest therein, shall be assignable or transferable, notwithstanding any assignment of the insurance contract as security or any transfer of interest in any cotton crop covered by the insurance contract. Refund of any deposit will be made only to the depositor and refund of any other payment will be made only to the person who made such payment except as provided in section 155.

SECTION 155 *Refund in case of death, incompetence, or disappearance.*—In any case where a person, who is entitled to a refund of a payment or a deposit, has died, has been judicially declared incompetent, or has disappeared, the provisions of section 142 with reference to the payment of indemnities in any such case shall be applicable with respect to the making of any such refund.

ESTABLISHMENT OF AVERAGE YIELDS AND PREMIUM RATES

SECTION 161 *Determination of farm average yields of lint cotton per acre.*—(a) The county committee shall determine the 1941 crop yield of lint cotton per acre from reliable records for each farm on which cotton was planted in 1941. For those cotton farms on which no cotton was planted in 1941, or for which no 1941 crop data are available, the county committee shall appraise the 1941 crop yield per planted acre, basing such appraisal on the actual 1941 crop yield per planted acre on a similar farm and other available information. For those farms for which the county committee determines that the actual crop data are not applicable, the county committee shall adjust the crop yield to a figure which represents the yield of similar farms in the county which were not subject to the conditions for which adjustment is being made. The county committee may determine that actual crop data are not applicable in those cases in which (1) the committee

finds that the yield for 1941 was abnormally low due to a cause which did not result in losses generally throughout the county, and which is not more likely to recur on the farm than to occur on any other farm in the county, which condition shall be referred to as "spot loss;" or (2) the committee determines that the crop in 1941 was planted on a small or unrepresentative acreage.

(b) The average yield of lint cotton for the farm shall be determined by averaging the 1941 crop yield per planted acre with the average yield of lint cotton per acre previously established for the farm and approved by the Corporation for use in determining the average farm yield for the 1943 program, giving a weight of nine to the average yield so previously established for the farm and a weight of one to the 1941 crop yield per planted acre: *Provided, however, That the average yield established before factoring shall not exceed the average*

yield so previously established for the farm by more than 10 percent.

(c) For each farm for which a regular allotment has not been established for 1943 but for which a permitted acreage or "new-grower allotment" has been established, upon application by a person having an interest in the cotton grown on such farm the county committee shall appraise an average yield. Such appraisal shall be based on the average yield of a farm similar in acreage, farming practices, topography, and risk of loss.

(d) An average of the final yields established for all farms in the county or administrative area, weighted by the most recent cotton acreage allotments then established for such farms under the agricultural conservation program, shall not exceed the check yield established by the Corporation for such county or administrative area.

SECTION 162 *Determination of premium rates for insurance.*—(a) For all farms in the county for which an average yield is established in accordance with subsections (a) and (b) of section 161, the premium rate for 75-percent lint insurance shall be determined (1) by determining the loss cost portion of the premium rate for 75-percent lint insurance previously established for the farm and approved by the Corporation for use in determining the 1943 farm premium rate, (2) by adjusting such figure for the difference between the preliminary average yield of lint cotton per acre established for the farm for 1943 and the average lint yield per acre for the farm as approved by the Corporation for use in determining the 1943 average yield, (3) by averaging such adjusted figure with the 1941 crop loss per acre (that is, the amount by which the 1941 crop yield is less than 75 percent of the 1943 preliminary average lint yield per acre for the farm), giving a weight of nine to the figure arrived at under (2) above and a weight of one to the 1941 crop loss per acre (provided, however, that the amount of the 1941 crop loss per acre used in this computation shall not exceed 100 pounds), and (4) by averaging the figure thus obtained with the 1943 county check premium rate, giving equal weight to each. The Corporation may prescribe, however, different weights to be given to such figures where it determines that such procedure results in premium rates which more adequately reflect the risks on farms in the county. The same method of weighting shall be used for all farms in the county unless the Corporation determines that cotton farming conditions in the county warrant the use of different methods of weighting in separate areas within the county. The Corporation may provide other means of computation which will result in premium rates sub-

stantially the same as those arrived at under the above provisions.

(b) For each farm for which a regular allotment has not been established for 1943 but for which a permitted acreage or "new-grower allotment" has been established, upon application by a person having an interest in the cotton grown on such farm the county committee shall appraise a lint premium rate. Such appraisal shall be based on the established premium rate of a farm similar in acreage, farming practices, topography, and risk of loss.

(c) The average of the lint premium rates established for all farms in the county or administrative area weighted by the cotton acreage allotments established for such farms under the agricultural conservation program shall not be less than the check premium rate established by the Corporation for such county or administrative area.

(d) The minimum premium rate per acre for 75-percent lint insurance on American Upland cotton shall be four pounds of lint cotton plus two percent of the average yield established for the insurance unit, except that for insurance units with an average yield of less than 100 pounds per acre such minimum premium rate shall be six percent of the average yield established for the insurance unit. The minimum premium rate per acre for 75-percent lint insurance on American-Egyptian cotton shall be 60 percent of the minimum rate thus computed.

(e) The premium rate for 50-percent lint insurance shall be determined by applying a percentage factor as determined by the Corporation to the premium rate for 75-percent lint insurance irrespective of the minimum premium rate for 75-percent insurance which has been established for the insurance unit. This percentage factor shall be based upon the relationship between the county average loss cost for 50-percent insurance and the county average loss cost for 75-percent insurance but shall not be less than 15 percent.

(f) The minimum rate for 50-percent lint insurance shall be one-third of the minimum rate for 75-percent lint insurance.

(g) To pay the premium for protection against loss of cottonseed, the premium rate for lint cotton insurance shall be increased by 20 percent on American Upland cotton and by 15 percent on American-Egyptian cotton.

(h) Notwithstanding the provisions of subsection (a) of this section, the Corporation may establish premium rates by means of premium rate schedules, provided such method achieves the establishment of rates for insurance units in the same yield classification that are determined by the Corporation to be fair and just.

(i) The maximum premium rate per acre for lint insurance shall be one-half of the lint cotton insurance per acre established for the insured percentage as approved under the insurance contract.

SECTION 163 *Average yields and premium rates where farm varies widely in productivity or farming hazards or where tracts of the farm are widely separated.*—If the land comprising any farm consists of tracts varying widely in productivity, topography, or farming hazards, or if tracts of the farm are widely separated, separate average yields and premium rates may be established by the Corporation for such tracts on the basis of appraisal, taking into consideration the yield data available.

SECTION 164 *County check yields.*—(a) County check yields shall be established by the Corporation by averaging the county check yield established for the 1942 Cotton Crop Insurance Program (except in those counties in which the 1942 county check yield was identical with the 1942 Agricultural Conservation Program county normal yield, in which cases the average yield for a representative period shall be used) adjusted for changes in farming operations, where necessary, with the 1941 average yield in the county, giving a weight of nine to the 1942 county check yield, as adjusted, and a weight of one to the 1941 county average yield: *Provided, however,* That, if the county check yield thus computed differs by more than five percent from the 1942 county average yield used in computing the 1943 county check yield, such yield shall be limited to a value which shall be not less than 95 percent nor more than 105 percent, plus a certain portion (determined by the Corporation to be reasonable) of the calculated percentage increase in excess of 105 percent, of such 1942 county average yield.

(b) The Corporation may establish check yields which it deems fair and just for administrative areas other than a county.

SECTION 165 *County check premium rates.*—(a) The Corporation shall establish county check premium rates on the basis of average loss costs for the county, for a period determined by the Corporation to be representative from annual yield data for the county during such period, and the relationship between yields and loss costs for sample farms in the county selected for actuarial purposes adjusted to reflect extraordinary conditions of loss included in actuarial data available to the Corporation and to reflect farming hazards not included in actuarial data available to the Corporation.

(b) The Corporation may establish check premium rates which it deems fair and just for administrative areas other than a county.

SECTION 166 *Average yields and premium rates for fractional parts of a farm and for farms which are combined or divided after the listing sheets are prepared.*—(a) The average yield and premium rate for a fractional part of a farm which is to be insured as a separate insurance unit shall be the same as the average yield and premium rate for the entire acreage considered in establishing such average yield and premium rate, except as provided in section 163.

(b) Where due to combinations of insurance units after yields and rates applicable to the component parts of the combination have been approved by the Corporation and determination of the acreage planted to cotton on such component parts is not feasible or practical, average yields and premium rates for the acreage comprising such combinations may be established by the Corporation, provided the combination was effected before the planting of any cotton on the combination. Such determinations shall be based upon the average yield and premium rate for farms similar in acreage, farming practices, topography, and farming hazards, taking into consideration the average yield(s) and premium rate(s) for the original farm(s).

SECTION 167 *Average yields and premium rates for special farming practices and for American-Egyptian cotton.*—In areas where farming practices are followed which are determined by the Corporation to be special practices or where American-Egyptian cotton is grown, yields and premium rates may be established for each special practice or for American-Egyptian cotton for the county or administrative area and for individual insurance units. The method used for establishing average yields and premium rates for a special practice or for American-Egyptian cotton shall be substantially the same as that used for establishing the yields and premium rates for the general practice or for American Upland cotton. Premium rates for American-Egyptian cotton may be established by means of premium rate schedules as provided for in section 162, subsection (h), of these regulations. The yield and premium rate thus established for the insurance unit(s) shall apply to the acreage of cotton planted on the insurance unit under the special farming practice or to the acreage planted to American-Egyptian cotton on the insurance unit.

SECTION 168 *Yield and rate appeals.*—An applicant may appeal for a change in the amount of lint cotton insurance per acre or premium rate per acre, established under these regulations with respect to a farm, in accordance with instructions issued by the Corporation.

GENERAL

SECTION 171 *Meaning of terms.*—For the purpose of the 1943 Cotton Crop Insurance Program, the term:

(a) *Average yield* means the average yield of lint cotton per acre established by the Corporation for each insurance unit.

(b) *Cash equivalent price per pound* means the net price per pound of lint cotton established by the Corporation for the area in which the insurance unit is located on the basis of the price of lint cotton at the applicable spot market with differentials for the location of the area in which the insurance unit is situated.

(c) *Closing date* means the final date for the submission of applications for insurance to the office of the county committee, or the beginning of the planting of the cotton crop on any of the insurance units covered by the application for insurance, whichever occurs first. Such dates are specified by areas in section 178 hereof.

(d) *Corporation* means the Federal Crop Insurance Corporation.

(e) *Cotton crop* means only American Upland, or American-Egyptian cotton when yields and rates have been approved by the Corporation, and does not include any cotton planted primarily for experimental purposes.

(f) *Crop year* means the period within which the cotton crop is planted and normally harvested, and shall be designated by reference to the calendar year in which the crop is planted.

(g) *County* means a political or civil division of a state and includes parishes in Louisiana.

(h) *County committee* means the group of persons elected within any county to assist in the administration of the agricultural conservation program in such county.

(i) *Farm* means all adjacent or nearby farm land under the same ownership which is operated by one person, including also: (1) Any other adjacent or nearby farm land which the county committee determines is operated by the same person as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other lands; and (2) any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county or administrative area, as the case may be, in which the principal dwelling is situated, or, if there is no dwelling thereon, it shall be regarded as located in

the county or administrative area, as the case may be, in which the major portion of the farm is located.

(j) *Insurance contract* means the contract of insurance entered into between the applicant and the Corporation by virtue of the application for insurance and these regulations and any amendments thereto.

(k) *Insured percentage* means the percentage of the average yield of lint cotton per acre for the insurance unit covered by an insurance contract, and shall be either 50 or 75 percent.

(l) *Insurance unit* with respect to each insured shall be all or a portion of the acreage considered as a farm for the purpose of establishing the average yield and premium rate in which the insured has an interest as a cotton producer at the time of its planting except that when such acreage consists of land, part of which is regularly irrigated and the remainder never irrigated, or land upon part of which American Upland is grown and upon part of which American-Egyptian is grown, or when separate yields and rates have been established for widely separated parts of a farm, such portions shall be considered separately for the purpose of establishing insurance units.

(m) *Landlord* or *owner* means a person who owns farm land and either rents such land to another person or operates it as a farm.

(n) *Lint cotton insurance per acre* means the number of pounds of lint cotton per acre for which the applicant is insured and shall be based upon the insured percentage.

(o) *Maximum insurable acreage* means the largest number of acres of cotton which may be insured on an insurance unit. Such acreage shall be the cotton acreage allotment for the insurance unit under the then current agricultural conservation program. In the event that the insurance unit is a part of the farm for which such cotton acreage allotment is established, the total of the maximum insurable acreages for all units constituting the farm shall not exceed such allotment and, if the cotton planted on all such units does exceed such allotment, the maximum insurable acreage for each such unit shall be the same percentage of the acreage planted to cotton on the unit as the cotton acreage allotment for the farm is of the total acreage planted to cotton on all such units. The term cotton acreage allotment shall also mean permitted acreage where applicable.

(p) *Operator* means a person who as landlord or cash tenant, or standing or fixed-rent tenant, is operating a farm, or who as a share tenant is operating a whole farm.

(q) *Person* means an individual, partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity and, wherever applicable, a state, a political subdivision of a state, or any agency thereof.

(r) *Premium rate* means the premium rate per acre established by the Corporation.

(s) *Sharecropper* means a person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of the cotton crop thereon or of the proceeds therefrom.

(t) *State committee* means the group of persons designated within any state to assist in the administration of the agricultural conservation program in such state.

(u) *Tenant* means a person other than a sharecropper who rents land from another person (for cash, a fixed commodity payment, or a share of the crop or proceeds therefrom), and is entitled under a written or oral lease or agreement to receive all or a share of the crop or proceeds therefrom produced on such land.

SECTION 172 *Restriction on purchase and sale of cotton by the Corporation.*—The restriction on the purchase and sale of cotton, as provided in section 508 (d) of the Federal Crop Insurance Act, as amended, reads in part as follows:

“Insofar as practicable, the Corporation shall purchase the agricultural commodity only at the rate and to a total amount equal to the payment of premiums in cash by farmers or to replace promptly the agricultural commodity sold to prevent deterioration; and shall sell the agricultural commodity only to the extent necessary to cover payments of indemnities and to prevent deterioration: *Provided, however,* That nothing in this section shall prevent prompt offset purchases and sales of the agricultural commodity for convenience in handling. Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity.”

SECTION 173 *Records and access to farm.*—For the purpose of enabling the Corporation to determine the loss, if any, that may have occurred under the insurance contract, the insured shall keep, or cause to be kept, records of the harvesting, ginning, storage, shipment, sale, or other disposition, of all cotton produced on each insurance unit covered by the insurance contract. Such records shall be made

available for examination by the Corporation, and as often as may reasonably be required, any person or persons designated by the Corporation shall have access to the farm. (See section 127 (b) hereof.)

SECTION 174 *Review of determinations of county committees.*—All determinations by a county committee shall be subject to review and approval or revision by duly authorized representatives of the Corporation.

SECTION 175 *Applicant's warranties; avoidance for fraud.*—In applying for insurance the applicant warrants that the information, data, and representations submitted by him in connection with the insurance contract are true and correct, and are made by him, or by his authority, and shall be taken as his act. The insurance contract may be voided and the premium forfeited to the Corporation without the Corporation's waiving any right or remedy, including its right to collect the amount of the note executed by the insured, whether before or after maturity, if at any time the insured has concealed any material fact or made any false or fraudulent statements relating to the insurance contract, the subject thereof, or his interest in the cotton crop covered thereby, or if the insured shall neglect to use all reasonable means to produce, care for or save the cotton crop covered thereby, whether before or after damage has occurred, or if the insured fails to give any notice, or otherwise fails to comply with the terms of the contract, including the note, at the time and in the manner prescribed.

SECTION 176 *Modification of insurance contract.*—No notice to any county committee or representative of the Corporation or knowledge possessed by any such county committee or representative or by any other person shall be held to effect a waiver of or change in any part of the insurance contract or to estop the Corporation from asserting any right or power under such contract; nor shall the terms of such contract be waived or changed except as authorized in writing by a duly authorized officer or representative of the Corporation; nor shall any provision or condition of the insurance contract or any forfeiture be held to be waived by any delay or omission by the Corporation in exercising its rights and powers thereunder or by any requirement, act, or proceeding, on the part of the Corporation or of its representatives, relating to appraisal or to any examination herein provided for.

SECTION 177 *Fractional units in acres and yields.*—Fractions of yields per acre shall be rounded to the nearest pound. Fractions of loss costs and premium rates shall be rounded to the nearest tenth of a pound. Fractions of pounds, other than loss costs and premium rates, shall be rounded to the nearest

pound. Fractions of acres representing total acres of cotton shall be rounded to the nearest tenth of an acre. Computations shall be carried to one digit beyond the digit that is to be rounded. If the extra digit computed is 1, 2, 3, or 4, the rounding shall be downward. If the extra digit computed is 6, 7, 8, or 9, the rounding shall be upward. If the extra digit computed is 5, the computation shall be carried to another digit. If the two extra digits are 50, the rounding shall be downward, and if the two extra digits are 51 or any higher figure, the rounding shall be upward.

SECTION 178 Closing dates for submission of applications.—The closing dates established by the Corporation for the submission of applications to the office of the county committee are as follows:

ALABAMA.—April 1 for the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Etowah, Fayette, Franklin, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Pickens, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston.

March 15 for all other counties in the State.

ARIZONA.—March 15 for American Upland; March 15 for American-Egyptian, for all counties.

ARKANSAS.—April 1 for all counties.

CALIFORNIA.—December 31, for Tulare Lake area of Kings County.

March 15 for remainder of Kings County and all other counties of the State.

FLORIDA.—March 15 for all counties.

GEORGIA.—April 1 for the counties of Baldwin, Banks, Barrow, Bartow, Butts, Carroll, Catoosa, Chattooga, Cherokee, Clarke, Clayton, Cobb, Columbia, Coweta, Dade, Dawson, De Kalb, Douglas, Elbert, Fannin, Fayette, Floyd, Forsyth, Franklin, Fulton, Gilmer, Glascock, Gordon, Greene, Gwinnett, Habersham, Hall, Hancock, Haralson, Hart, Heard, Henry, Jackson, Jasper, Jones, Lamar, Lincoln, Lumpkin, McDuffie, Madison, Meriwether, Monroe, Morgan, Murray, Newton, Oconee, Oglethorpe, Paulding, Pickens, Pike, Polk, Putnam, Rabun, Richmond, Rockdale, Spalding, Stephens, Taliaferro, Towns, Troup, Union, Walker, Walton, Warren, White, Whitfield, and Wilkes.

March 15 for all other counties in the State.

ILLINOIS.—April 15 for all counties.

KANSAS.—April 15 for all counties.

KENTUCKY.—April 15 for all counties.

LOUISIANA.—March 15 for all counties.

MISSISSIPPI.—April 1 for the counties of Alcorn, Attala, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Clay, Coahoma, De Soto, Grenada,

Holmes, Humphreys, Itawamba, Lafayette, Lee, Leflore, Lowndes, Marshall, Monroe, Montgomery, Noxubee, Oktibbeha, Panola, Pontotoc, Prentiss, Quitman, Sunflower, Tallahatchie, Tate, Tippah, Tichomingo, Tunica, Union, Washington, Webster, Winston, and Yalobusha.

March 15 for all other counties in the State.

MISSOURI.—April 15 for all counties.

NEW MEXICO.—For American Upland, April 15 for the counties of Curry, Harding, Lea, Quay, and Roosevelt.

March 15 for all other counties in the State for American Upland and April 1 for American-Egyptian.

NORTH CAROLINA.—April 1 for all counties.

OKLAHOMA.—April 1 for the counties of Adair, Atoka, Bryan, Carter, Cherokee, Choctaw, Coal, Haskell, Hughes, Johnston, Latimer, Le Flore, Love, McCurtain, McIntosh, Marshall, Murray, Muskogee, Okfuskee, Okmulgee, Pittsburg, Pontotoc, Pushmataha, Seminole, and Sequoyah.

April 15 for all other counties in the State.

SOUTH CAROLINA.—March 15 for the counties of Allendale, Bamberg, Barnwell, Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, and Jasper.

April 1 for all other counties in the State.

TENNESSEE.—April 1 for all counties.

TEXAS.—February 15 for the counties of Cameron, Hidalgo, Starr, and Willacy.

March 1 for the counties of Aransas, Atascosa, Austin, Bee, Brazoria, Brooks, Calhoun, Colorado, De Witt, Duval, Fayette, Fort Bend, Frio, Galveston, Goliad, Gonzales, Harris, Jackson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kleberg, La Salle, Lavaca, Live Oak, McMullen, Matagorda, Maverick, Nueces, Refugio, San Patricio, Victoria, Waller, Webb, Wharton, Wilson, Zapata, and Zavala.

March 15 for American Upland and April 1 for American-Egyptian for the counties of Anderson, Angelina, Bastrop, Bell, Bexar, Blanco, Bosque, Brazos, Brewster, Burleson, Burnet, Caldwell, Chambers, Cherokee, Comal, Coryell, El Paso, Falls, Freestone, Gillespie, Grimes, Guadalupe, Hamilton, Hardin, Hays, Houston, Hudspeth, Irion, Jasper, Jefferson, Kendall, Kerr, Kimble, Lampasas, Lee, Leon, Liberty, Limestone, Llano, McLennan, Madison, Mason, Medina, Milam, Montgomery, Nacogdoches, Newton, Orange, Panola, Pecos, Polk, Presidio, Reeves, Robertson, Rusk, Sabine, San Augustine, San Jacinto, Schleicher, Shelby, Travis, Trinity, Tyler, Uvalde, Walker, Ward, Washington, and Williamson.

April 1 for the counties of Andrews, Borden, Bowie, Brown, Callahan, Camp, Cass, Coke, Coleman, Collin,

Comanche, Concho, Cooke, Dallas, Dawson, Delta, Denton, Eastland, Ellis, Erath, Fannin, Fisher, Franklin, Gaines, Glasscock, Grayson, Gregg, Harrison, Henderson, Hill, Hood, Hopkins, Howard, Hunt, Johnson, Jones, Kaufman, Lamar, Marion, Martin, McCulloch, Menard, Midland, Mills, Mitchell, Morris, Navarro, Nolan, Palo Pinto, Parker, Rains, Red River, Rockwall, Runnels, San Saba, Scurry, Shackelford, Smith, Somervell, Stephens, Sterling, Tarrant, Taylor, Titus, Tom Green, Upshur, Van Zandt, and Wood.

April 15 for the counties of Archer, Armstrong, Bailey, Baylor, Briscoe, Carson, Castro, Childress, Clay, Cochran, Collingsworth, Cottle, Crosby, Deaf

Smith, Dickens, Donley, Floyd, Foard, Garza, Gray, Hale, Hall, Hardeman, Haskell, Hemphill, Hockley, Jack, Kent, King, Knox, Lamb, Lipscomb, Lubbock, Lynn, Montague, Motley, Parmer, Randall, Stonewall, Swisher, Terry, Throckmorton, Wheeler, Wichita, Wilbarger, Wise, Yoakum, and Young.

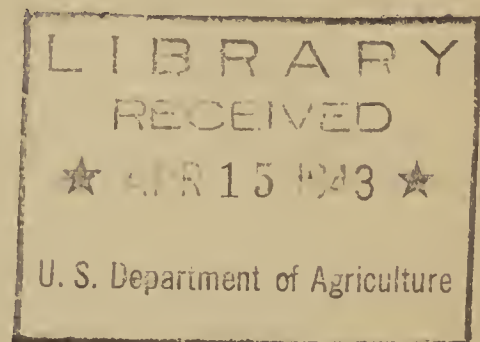
VIRGINIA.—April 1 for all counties.

SECTION 179 *Maturity dates for premium notes under the Cotton Crop Insurance Program.*—The maturity dates for cotton crop insurance premium notes shall be six months after the closing dates established by the Corporation for the submission of applications to the office of the county committee, as stated in section 178.

PART TWO - C

COUNTY APPLICATION
PROCEDURE
COTTON CROP INSURANCE

ISSUED FEBRUARY 1943



UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
WASHINGTON, D. C.

COUNTY APPLICATION PROCEDURE - COTTON CROP INSURANCE

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SECTION I. GENERAL

A. Presentation of the Cotton Crop Insurance Program.

The county committee, under the direction of the state committee, shall develop plans for presenting the crop insurance program to all cotton growers in the county in sufficient time for growers to present their applications for crop insurance on or before the closing date established by the Corporation for the receipt of applications in the county office. The county committee shall also make plans in conformity with this procedure for the handling of problems of administration and operation within the county so that the interests of both the cotton growers and the Corporation will be protected. The county committee shall coordinate its activities in presenting this program, giving due consideration to timeliness, effectiveness, and economy of operation, in order to present the crop insurance program as a part of the general farm program being administered by the United States Department of Agriculture.

B. Application for Insurance.

Any person who has or expects to have an interest as landlord, owner, tenant, or sharecropper in an American Upland cotton crop to be planted in the current year may apply for cotton crop insurance to cover his interest in such crop. Verbal or written requests other than those submitted on the application are not to be construed as applications for insurance. Under the insurance contract, insurance will cover each insurance unit in the county in which the applicant has an interest in American Upland cotton at the time of the beginning of planting and the insurance will attach only to the interest which the applicant has in the crop at the time of beginning of planting.

An application may be accepted by the county committee for and on behalf of the Corporation, provided such application is submitted in accordance with the provisions of the application and the cotton crop insurance regulations and amendments thereto. After the application is received in the branch office, acceptance or rejection thereof by the Corporation will be evidenced by the issuance of a notice to the applicant.

American Egyptian cotton may also be insured in those counties where average yields and premium rates for such cotton have been approved by the Corporation. Separate application forms are provided for use in insuring American Egyptian cotton. In order for an applicant to insure his interest in both American Upland cotton and American Egyptian cotton, a separate application must be submitted for each such crop.

C. Payment of Premiums.

All premiums shall be paid by the execution and payment of a non-interest bearing note which is a part of the application. A payment may be made on the note at the time the application is submitted or at a future date.

D. Individual Meritorious Cases.

Where this procedure does not cover an individual meritorious case, the county committee should submit such case to the state committee in accordance with General Procedure 4.

E. Policy Regarding Request for Cancelation of Applications.

It is the general policy of the Corporation not to grant requests for cancelation or voidance of applications for cotton crop insurance after such applications have been accepted by the county committee for and on behalf of the Corporation.

F. Transmittal of Application Information to State Office.

It shall be the duty of the county committee to transmit to the state office not later than noon of the first day following the closing date for receiving applications, Sundays and holidays excluded, the following information:

Number of applications written and estimated number of insurance units insured.

G. Average Yields and Premium Rates.

The average yields and premium rates applicable to an insurance unit shall be those approved by the Corporation for use in the crop year covered by the contract and on file in the county office. When an application is submitted in connection with a farm or an insurance unit and such farm is not listed on the listing sheets, a premium rate and average yield per acre for the farm shall be recommended and listed on a supplemental listing sheet prepared in accordance with instructions contained in part I-C of the county procedure manual, "County Yield and Rate Procedure."

H. Unusual Cases.

1. Combined and Subdivided Farms.—If farms have been combined or subdivided after the listing sheets are prepared, the yields and premium rates applicable to such reconstituted farms shall be those redetermined in accordance with instructions issued by the corporation.
2. Widely Varying and Widely Separated Tracts on a Farm.—If separate yields and premium rates have been established, in accordance with instructions issued by the Corporation, for widely varying or widely separated tracts on a farm, such yields and premium rates shall be applicable to such tracts.
3. Irrigated and Nonirrigated Land.—Where a part of the farm is irrigated and part of the farm is not irrigated every year, and separate yields and premium rates have been established on the listing sheets for these practices, if a loss occurs, separate claims for settlement shall be submitted if separate production records are kept by the insured.

Where a farm or a portion thereof is irrigated in some years and not irrigated in other years, if a loss occurs, only one claim for settlement shall be submitted by the insured.

4. Riverbank Side of the Levee.—Where all or a part of the farm is on the riverbank side of the levee and separate yields and premium rates have been established on the listing sheets, if a loss occurs, only one claim for settlement shall be submitted by the insured.

I. Premium Rate Schedule.

The Corporation may establish premium rates by means of premium rate schedules, provided such method achieves the establishment of rates for insurance units in the yield classification that are determined by the Corporation to be fair and just.

J. Premium Rate Reduction Plan.

The Corporation may reduce the applicant's annual premium in any year, not to exceed 50 percent, if it determines, from a comparison of the insured production with the accumulated balance of premiums paid over indemnities received on consecutively insured crops that the risks on cotton crops produced by the insured justify such reduction. Nothing in this provision shall create in the insured any right to a reduced premium as a result of the total premiums he has paid exceeding the total indemnities he has received.

K. Signatures.

To determine whether a signature has been properly affixed or whether a fiduciary who has signed in a representative capacity has authority to act in the capacity shown, the county committee shall be guided by the instructions set forth in Form ACP-16, "Instructions on Signatures and Authorizations," and supplemental instructions issued by the state office.

L. Form Number and Distribution.

The title and number of the forms used in connection with this procedure, and the distribution thereof, are set forth in section VIII of this procedure.

SECTION II. APPLICATION FOR COTTON CROP INSURANCE

A. Time of Submitting Application.

An application properly executed by the applicant must be submitted to the office of the county committee on or before the closing date established by the Corporation for the submission of applications, or the beginning of the planting of the cotton crop on any of the insurance units in which the applicant has an interest, whichever occurs first (hereinafter referred to as the closing date). The closing dates established by the Corporation are set forth in the cotton crop insurance regulations. Under the following circumstances applications which are received in the office of the county committee after the closing date may be considered as submitted on or before the closing date:

1. If the envelope transmitting such form is postmarked on or before the closing date;
2. If submitted by the applicant to a community committeeman, county committeeman, or field representative of the county committee on or before the closing date.

Where insurance is desired by an absentee owner or landlord, the county committee shall prepare an application for the signature of such absentee owner or landlord, who shall be advised that the signed application must be submitted to the office of the county committee not later than the closing date.

B. Insurance Units Covered When Applications Are Executed by Individuals, Fiduciaries, Persons Acting in a Representative Capacity, and Co-owners.

In some instances an applicant may act in one or more representative capacities as well as in an individual capacity. In making the determination as to what interests are covered by an application, the capacity in which the application is signed shall be the determining factor. Therefore, an application signed by an individual which does not indicate that the individual is acting in a representative capacity will request insurance only on those cotton crops in which the individual has an interest as landlord, owner, tenant, or sharecropper. If such applicant also has an interest in another capacity (as a partner, an heir of an estate, an agent for another person, or in any other representative capacity) and desires that such other interest be insured, he shall execute another application in his representative capacity. If an application is signed by a person in a representative capacity, for example, for an estate, corporation, partnership, etc., insurance can apply only to those insurance units in which the principal has an interest as landlord, owner, tenant, or sharecropper. An application for insurance executed by a co-owner extends to his interest as a co-owner and also to his interest as an individual. The designation of "co-owner" following the signature of an applicant merely designates the type of ownership and is not to be construed as a designation of a representative capacity.

In those instances in which a person is acting in more than one capacity, the county committee should definitely ascertain that such person executes an application in such capacity in which insurance is desired.

C. Preparation of Application.

Separate applications shall be prepared for American Upland cotton and American Egyptian cotton.

1. The state and county code and identification number will be entered when applications are listed on the transmittal sheet by the county committee in accordance with section III of this procedure.
2. In the title of the form enter the applicable crop year.
3. Item A. Enter the percent insurance desired by the applicant, which must be either 50 or 75 percent. Where American-Egyptian cotton is to be insured, the percent interest shall be 75 percent.
4. Item B. Enter the name of the county and state in which the applicant is filing the application for insurance.
5. Item C. Indicate by an "X" the grade and staple length of cotton selected by the applicant as a basis for payment of premium and indemnity. The grade and staple length of cotton selected shall be one normally grown in the area and must be selected from one of the grades and staple lengths shown on the application. Only one grade and staple length shall apply with respect to any one insurance contract. Where American Egyptian cotton is to be insured, the grade and staple length shall be No. 2, 1½ inches.

In those instances in which irrigated and nonirrigated cotton are to be covered under the same insurance contract, the applicant shall designate the grade and staple length of cotton normally grown which shall be applicable to both irrigated and nonirrigated cotton.

If the applicant fails to designate the grade and staple length, the county committee shall designate the grade and staple length commonly grown in the community.

6. Item E. Enter in the space provided the name and address of the beneficiary. Each applicant shall be informed that he may designate a beneficiary to whom, if eligible or available, the indemnity, if any may be paid in the event the applicant dies, is judicially declared incompetent, disappears or is otherwise unavailable.
7. Item F. Type or print the name and address of the applicant. The name should be typed or printed in the same manner in which the signature is usually affixed. Particular care should be used to show his complete mailing address.
8. Item G. Enter the date on which the signature in item I is affixed.
9. Item H. A witness must sign in the space provided when the applicant signs by mark (X).
10. Item I. After the foregoing entries have been made on the application the applicant shall sign his name in the space provided. The signature must agree with the typed or printed name appearing in item F.

D. Acceptance of Applications by the County Committee.

1. All applications shall be reviewed by the county committee and, if acceptable, a member of the county committee shall affix his signature in item J of the application, which shall constitute acceptance for and on behalf of the Corporation. The applicant shall not be given his copy of the application prior to acceptance by the county committee.
2. If the county committee anticipates difficulty in collecting any premium earned, the applicant shall be required to pay the premium (computed on the basis of the cotton acreage allotment or his proportion thereof) in advance, or the county committee should recommend rejection of the application.
3. Should an applicant desire to submit an application on the condition that it shall be invalid unless a revision in the lint cotton insurance per acre or premium rate is granted, on appeal the applicant shall be advised that all applications must be submitted in the regular manner and, should the revision not be granted, the originally approved lint cotton insurance per acre and premium rate will be used.
4. If, after the application has been executed by the applicant and accepted by the county committee for and on behalf of the Corporation, it appears that the application should not have been accepted, a statement of facts shall be prepared and attached to the copy of the application when such form is transmitted to the office of the state committee. In the event the branch office copy of the application has been transmitted to the office of the state committee, and the county committee is of the opinion that the application should not have been accepted, a statement of facts shall nevertheless be prepared and the original

transmitted immediately to the office of the state committee for forwarding to the branch office. In such cases the applicant's copy of the application shall be retained by the county committee. In the event the applicant's copy of the application has already been delivered to the applicant, this fact should be set forth in the statement of facts.

E. Applications Which Cannot Be Accepted by the County Committee and Disposition Thereof.

1. The county committee shall recommend rejection of any application, or limit the insured percentage to 50 percent on all farms covered by the application, where it determines that the risks to be incurred warrant either action. In any case in which the county committee determines that the risk to be incurred by the Corporation through the acceptance of the application warrants such action, the application shall not be accepted. All doubtful cases shall be cleared immediately in order that the Corporation's liability may be determined as early as possible.
2. If the county committee determines that the application shall not be accepted, the certificate of the county committee shall not be executed. The application shall not be marked in any manner indicating that it is not acceptable except that the certificate of the county committee shall not be signed. Under no circumstances will the signature of the applicant or the signature of the county committeeman be deleted from the application.
3. Applications executed by the applicant but recommended for rejection by the county committee shall be transmitted to the office of the state committee in accordance with subsection B of section III of this procedure.
4. Where payment has been made on the note but the county committee has not accepted the application, the amount collected shall under no circumstances be retained in the office of the county committee, but shall be transmitted to the branch office in accordance with section IV of this procedure.

F. Correction of Applications.

All changes or corrections to be made on an application shall be accomplished in accordance with the method set forth in section V of this procedure.

G. Notice of Confirmation or Rejection.

1. After the application which has been accepted by the county committee is received in the branch office, confirmation of the acceptance thereof by the Corporation will be evidenced by the issuance of a notice to the applicant. Likewise, for those applications not acceptable to the Corporation, a notice of rejection will be sent to the applicant.
2. A copy of the notice of confirmation or of the notice of rejection will be forwarded to the county committee. Upon receipt of a copy of either of these notices, such copy shall be attached to the county committee's copy of the related application.

SECTION III. TRANSMITTAL - APPLICATIONS

A. Numbering of Applications.

In 1942 a permanent identification number was assigned to each insured. For such persons who submit an application for the current year, this permanent identification number shall become the current application or identification number. When applications are submitted by persons who were not insured in 1942, such applications shall be assigned identification numbers consecutively, beginning with the number following the last identification number assigned in 1942.

The letter "E" shall prefix the identification number assigned to applications for American Egyptian cotton. When an applicant submits applications covering both American Upland cotton and American Egyptian cotton, both applications shall be assigned the same identification number, except that the letter "E" shall be prefixed to the identification number assigned to the application covering American Egyptian cotton.

Identification numbers and the state and county code shall be entered on the applications before information with respect to such applications is entered on the transmittal sheet.

B. Preparation of Transmittal of Applications.

The following information shall be shown on transmittals of applications:

1. The state and county code.
2. The word "Applications" in the space provided in the title of the transmittal form.
3. No entries shall be made in the spaces provided for "Price card serial no." and "Basic market or area."
4. A check mark (✓) in the block opposite the word "Cotton."
5. The transmittal number.

Transmittal numbers shall be assigned consecutively
to each transmittal beginning with number 1.

6. The date of the preparation of the transmittal.
7. In column (A) in numerical order the identification number as shown at the top of the application.

When the applicant has submitted applications covering both American Upland cotton and American Egyptian cotton, the identification number for American Upland cotton shall be entered first and the identification number for American Egyptian cotton shall be entered on the following line.

Applications executed by applicants but not acceptable to the county committee shall be listed in their regular sequence on the transmittal. However, a line shall be drawn through the data on the transmittal for such applications and a concise notation shall be placed on the transmittal in the "Remarks" column, indicating why such applications were suspended by or not acceptable to the county committee.

8. No entries shall be made in column (B).
9. In column (C) the name of the applicant shown in item "F" of the application.
10. In column (D) the percent insurance shown in item "A" of the application.
11. In column (E) the grade and staple length of cotton for payment of premiums and indemnities as indicated in item "C" of the application.
12. No entries shall be made in columns (F) and (G).

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13. In column (H) the notation as required in item 7 above. Also when an application is submitted in connection with a farm or an insurance unit less than a farm and the county committee finds that the yield and premium rate for such farm or insurance unit have not been approved by the Corporation or submitted by the county committee for approval, there shall be entered in column (H) a notation indicating that the yield and premium rate have not been approved.
14. The signature of a member of the county committee or an authorized representative of the county committee.

The original and the state office copy of the transmittal, together with the related originals of the applications, shall be forwarded to the office of the state committee on Monday of each week.

C. Transmittal of Suspended Applications.

When a suspended application is cleared by the county committee, or it is determined that the suspended application cannot be cleared, such application shall immediately be listed in the regular manner on a transmittal sheet plainly marked "supplemental" in the space provided for the transmittal number.

In these cases no transmittal sheet number shall be assigned to the transmittal sheet.

The county committee shall insert in the column headed "Remarks", on such supplemental transmittal sheet, the transmittal sheet number upon which the application was originally listed, in order to provide a cross-reference to the original transmittal sheet.

Distribution of these supplemental transmittal sheets shall be made currently.

SECTION IV. PAYMENT ON NOTES AND DEPOSITS

A. Time and Method of Payments.

1. All premiums shall be paid by the execution and payment of a note which is a part of the application.
- 2.a. A payment by cash, check, money order or bank draft (hereinafter referred to as cash payment) may be made on the note at the time the application is submitted or at a future date and such payment in terms of pounds of lint cotton shall be applied toward payment of the note. The number of pounds of cotton which will be credited on the note shall be determined by dividing the payment by the cash equivalent price of cotton for the applicable grade and staple as shown on the application.

Cash equivalent price per pound means the net price per pound of lint cotton established by the Corporation, for the area in which the insurance unit is located, on the basis of the price of lint cotton at the applicable spot market with differentials for the location of the area in which the insurance unit is situated. The county committee will be currently advised by the office of the state committee of any change in the cash equivalent price.

- b. Checks, money orders, and bank drafts shall be made payable to the order of the TREASURER OF THE UNITED STATES at the city in which the branch office is located. The person forwarding a remittance payable to other than the order of the Treasurer of the United States shall stamp or write on the back and at the top of the remittance, and above the endorsement of the payee, the following restrictive endorsement:

"Pay to the order of the Treasurer of the
United States."

Checks and drafts will be accepted subject to collection and notes shall not be considered as paid unless collection is made.

3. Should an applicant desire to pay a note in cotton, such applicant shall deliver, on or before the maturity date of the note, at the office of the county committee, a warehouse receipt or other negotiable instrument acceptable to the Corporation (hereinafter referred to as "Warehouse Receipt") representing whole bales of salable cotton.
4. Any unpaid amount of the note, either before or after the date of maturity, may be deducted from any indemnity payable under the contract, from the proceeds of any commodity loan to the applicant, and from any payment made to the insured under the Soil Conservation and Domestic Allotment Act, as amended, or any other act of Congress administered by the United States Department of Agriculture. In instances where such collections are made before the date of maturity, the cash equivalent of the payment will be based on either the cash equivalent price used in computing indemnity payment or the cash equivalent price in effect on the day the county committee approves a loan or other payment.
5. All payments received by the county committee shall be transmitted to the branch office in accordance with subsection F below.

B. Payments Before Maturity.

1. Cash.

Where cash payments are made on the note before maturity, such payments in terms of pounds of lint cotton shall be applied toward payment of the note. The pounds of lint cotton to be credited toward payment of the note shall be determined by dividing the amount of the cash payment by the cash equivalent price (for the applicable grade and staple length of cotton) shown on the price card effective in the county at the time payment is made.

2. Warehouse Receipts.

- a. Tender of Warehouse Receipts.—When the applicant wishes to pay a note in cotton, such applicant shall deliver on or before the maturity date of the note, to the office of the county committee, a warehouse receipt or other instrument acceptable to the Corporation representing whole bales of salable cotton. A warehouse receipt shall be deemed acceptable to the Corporation if such warehouse receipt can be sold immediately by the county committee.

- b. Sale of Warehouse Receipts.—The county committee shall sell the cotton represented by such warehouse receipts on the day they are received. A record of the facts with respect to each sale incorporating the state and county code and application number, the name of the buyer, warehouse receipt number, number of pounds, grade and staple length of cotton, sales price, warehouse charges assessed against the cotton, and the net proceeds of the sale shall be prepared and signed by the county committee for attachment to the original and all copies of the transmittal of collections. The county committee shall carefully ascertain marketing conditions in the county in order to secure the highest obtainable price on such sales.
- c. Payment on Note.—The net proceeds from such sale shall be divided by the applicable price for the day the warehouse receipt was tendered to the county committee, in order to obtain the number of pounds of cotton to be applied toward payment on the note.

C. Payments After Maturity.

Only cash payments may be accepted by the county committee after the maturity date of the note. Such payments, in terms of pounds of lint cotton, shall be applied toward payment of the note. The price card effective in the county on the maturity date of the note shall be used to determine the pounds of cotton to be applied toward payment of the note.

D. Rounding Fractions in Computing Payment on Note.

When payments are made on notes, the amount of such payment shall be converted into pounds and rounded to the nearest pound. Therefore, any excess or deficient payment will be expressed in terms of whole pounds only and not in a monetary amount.

For Example:

	Result of Computation	<u>Rounded Pounds</u>
Total premium	55.4	55
	55.50	55
	55.51	56

E. Deposits.

1. Acceptance of Deposits.

Any person who submits an application for cotton crop insurance may tender a deposit of cotton or cash which may be applied toward the payment of future premiums. The tender of a deposit in cash or cotton may be made only when all current and past due notes are paid in full. The conversion of deposits shall be made in the manner specified in subsection B above. The maximum amount of such deposit shall be limited to the premium expected to be earned in the next ensuing crop year following the tender of the deposit and in no case shall be greater than the amount of the premium estimated for the current year. Deposits will be forwarded to the branch office in accordance with subsection F below.

2. Disposition of Deposits.

- a. Any amount which is on deposit with the Corporation for the payment of future premiums shall either be applied in payment of the note for any insurance for which an application is accepted, or shall be refunded.
- b. If there are any deposits which may be applied toward payment of future premium notes in the county, the branch office of the Corporation will supply the county committee with a record of the persons having deposits to their credit. Upon receipt of this record showing the amount of the deposits in pounds of cotton to be applied toward payment of the note, the county committee shall notify each person whose name appears on this list of the amount of the deposit to his credit.

The deposit in pounds of cotton will have been computed on the basis of the grade and staple of cotton shown on the application in connection with which the deposit was tendered. In the event the applicant designates, as a basis for payment of premium and indemnity, a grade and staple of cotton which differs from the grade and staple shown on the record of deposits, the deposit in pounds of cotton must be recomputed in accordance with the following method: Multiply the deposit in pounds of cotton by the cash equivalent price for the grade and staple length specified on the record of deposits and divide the result by the cash equivalent price for the grade and staple length of cotton specified on the application. This deposit shall be shown in pounds of cotton.

Each application for which the deposit has been recomputed should be accompanied by a work sheet showing the data used in determining the recomputed deposit. The original of this work sheet should be attached to the original of the application and a copy attached to the county office copy of the application.

- c. Transfers of deposits between counties in the same or different states may be made only with the approval of the Corporation.

F. Preparation of Forms Used in Connection with Payment on Notes and Acceptance of Deposits.

1. Preparation of Receipt.

A receipt is to be issued only in those cases where payment is made on the note, or a deposit is made for the payment of future premiums.

The following information shall be shown on the receipt:

- a. After a number has been assigned to the application, the state and county code and such identification number shall be entered in the space provided.
- b. A check mark (✓) in the block opposite the word "Cotton."
- c. The date of the preparation of the receipt.
- d. Print or type the name of the applicant as shown on the application or the name of the transferee in those cases where payment on the note is made by a transferee.

- e. The amount of payment received or the net proceeds from the sale of warehouse receipt(s).
- f. The equivalent of the payment in terms of pounds of cotton. Draw a line through the word "bushels." This entry shall be computed by dividing the amount of such payment by the cash equivalent price per pound for the applicable grade and staple length of cotton as shown on the applicable price card for the day on which such payment is received.
- g. The grade and staple length of cotton to be entered in the space provided shall be that shown in the application.
- h. The number of the latest price card received by the county committee.
- i. The date of such price card.
- j. The area designated on the price card.
- k. No entries are to be made in the spaces provided for "Basic market price" and "Price differential."
- l. The cash equivalent price to be entered in the appropriate space shall be the price shown on the price card currently in use in the county for the grade and staple length of cotton specified in the application.
- m. The signature of the person receiving the payment.

The original of the receipt shall be delivered to the person making payment and the copy retained in the files of the office of the county committee.

2. Preparation of Transmittal of Collections.

It is imperative that the original of the transmittal and all collections be forwarded to the branch office of the Corporation on the day that such collections are received in the office of the county committee.

The following information shall be shown on transmittals of cash collections:

- a. The state and county code.
- b. The word "Collections" in the space provided in the title of the transmittal form.
- c. The number of the latest price card received by the county committee.
- d. The name of the area designated on the price card.
- e. A check mark (✓) in the block opposite the word "Cotton."
- f. The transmittal number.

A transmittal number shall be assigned consecutively to each form beginning with number 1.

- g. The date collection is received in the office of the county committee.
- h. In column (A) the identification number shown on the related application and receipt.
- i. No entry is to be made in column (B).
- j. In column (C) the name of the person making the payment as shown on the receipt.
- k. No entries are to be made in column (D)
- l. In column (E) the grade and staple length shown on the application.
- m. In column (F) the pounds paid as shown on the receipt.
- n. In column (G) the cash paid as shown on the receipt.
- o. In the space provided for "Remarks" enter any appropriate remarks, including a notation in those cases where part of a payment made by an insured is to be applied as deposit for future premiums.

- p. Total columns (F) and (G) and enter the results in the space provided for such totals.
- q. The signature of a member of the county committee or an authorized representative of the county committee.

G. Acknowledgment of Collections.

The branch office will acknowledge through the office of the state committee, on the acknowledgment of collections form, all collections received in payment of notes and deposits. Upon receipt of the original (pink copy) of this acknowledgment, note the remarks thereon and make the necessary corrections, if any, on all forms in the office of the county committee which are affected by such remarks.

SECTION V. CORRECTING, REVISING, OR SUPPLEMENTING ENTRIES ON THE APPLICATION

The agreement form provides a means of correcting or supplementing entries appearing on the application after such form has been listed on the transmittal and in those cases where the applicant is not readily available to initial such corrections or revisions.

The agreement form shall not be used to obtain a correction of the signature of the insured as shown on the application. In the event the signature of the insured has not been properly affixed to the application, or the person signing on behalf of the insured did not have authority to act in such capacity, a complete statement of facts outlining the reasons for taking exceptions to the signature shall be prepared and attached to the application. If the application has been previously transmitted to the office of the state committee, the complete statement of facts, in duplicate, shall be forwarded immediately, as set forth in General Procedure 4, to the office of the state committee.

Revisions or corrections that may be made on the application are of two different classes:

1. Those cases necessitating the approval of the applicant. These are when the insured percentage is changed, or when there is a change in the beneficiary.
2. Other revisions or corrections do not require the approval of the applicant.

A. Before the Application is Listed on the Transmittal.

When the necessity for correction or revision is discovered before the application is forwarded to the office of the state committee, the applicant, if he is readily available, shall initial such revision or correction. Should the applicant not be readily available, the agreement form shall be prepared and shall be forwarded to him for his signature in those cases where such signature is required

In no case shall the application be released
to the applicant for initialing.

2. In those cases where the county committee determines that the insured percentage on the farms covered by the application should be limited to 50 percent and the applicant declines to initial the revision of the insured percentage shown on the application, or fails to return the agreement showing such revision within fifteen days or before the closing date, whichever is later, no insurance will be in effect.
3. Other revisions or corrections on an application do not require the approval of the applicant. When such revisions or corrections are made by the county committee on the application, a line shall be drawn through the incorrect information appearing on the form, and the correct information entered. All such changes shall be initialed by a member of the county committee.

B. After the Application Has Been Listed on the Transmittal.

1. When it is found that any revision or correction is necessary after the application has been forwarded to the office of the state committee, an agreement shall be prepared in the regular manner outlined in the following subsection C. However, such form need not be forwarded to the applicant for signature except as set forth above.
2. Agreements which are transmitted to the office of the state committee by the county committee after the applications have been forwarded shall be listed on an application transmittal prepared in the regular manner, except that the words "Forms FCI-2" shall be shown in the space provided for transmittal number and no transmittal number shall be assigned to the transmittal.

C. Preparation of the Agreement.

1. Indicate the state and county code and identification number in the space provided.
2. Type or print the name of the insured in paragraph 1.
3. Enter in paragraph 2 the number and title of the application form, for example:
FCI-312-C, "Application for Cotton Crop Insurance
for 1943."
4. Enter in paragraph 2 in the space provided the correction or revision that is to be made. Reference should be made to the specific item(s) being corrected or revised.
5. A change in the name of the beneficiary indicated on the application may be made, either by the use of the agreement form or a written notice signed and dated by the applicant.
6. A member of the county committee shall enter the date and affix his signature in paragraph 3.

Indicate by check (☐) in paragraph 5 the office originating the agreement. Copies of the agreement shall be distributed as set forth in section VIII.

D. Use of the Agreement Form Originated by the State Office.

The correction of an application suspended by the state committee will be accomplished by the preparation of an agreement form which will become a part of the related application. Therefore the state committee will not transmit applications to the office of the county committee for correction. Accordingly all applications received

by the office of the state committee will be eventually transmitted to the branch office of the Corporation.

The necessary changes shall be indicated on the county committee copy of the application by striking through the incorrect entry and entering the correct data.

When distribution of the copies of the agreement form is made in accordance with section VIII of this procedure, the approved county office copy shall be attached to the related copy of the application on file in the county office. When necessary, changes shall be made on the county office copy of the application.

The state committee copy and branch office copy of those agreements which were prepared by the state committee and forwarded to the office of the county committee, to obtain the signature of the insured and the approval of the county committee, shall be returned to the office of the state committee.

SECTION VI. COLLATERAL ASSIGNMENTS

A. Limitations on Assignments.

1. Assignments may be made on the prescribed form at any time after the application is accepted by the county committee on behalf of the Corporation, subject to the approval of the Corporation and to the conditions set forth in the cotton crop insurance regulations.
2. All assignments shall be subject in all respects to the provisions of the insurance contract.
3. An Insurance Contract may be Assigned as Collateral Security for:
 - a. A current loan.--By current loan is meant the amount of the indebtedness for the particular crop year and not the carry-over of a preceding year's indebtedness, which is placed in the status of a current loan merely by the inclusion of a current note or other evidence of indebtedness.
 - b. Current advances for equipment or supplies to assist in the making of a crop for the current crop year.--These current advances may include the current annual installment on equipment, but shall not include any past due installment(s) carried over from other crop year(s).
 - c. Payments due under existing agreements.--The amount of the current year's rental due under a leasing agreement with respect to the insurance unit upon which the insured crop is or will be planted, or the amount of the current annual installment due under a mortgage, purchase, or trust agreement covering the purchase of the insurance unit upon which the insured crop is or will be planted, and an additional amount of any delinquency which may be due under the mortgage, purchase, or trust agreement of not to exceed the amount of the current annual installment, including interest and taxes.

4. Execution of One Assignment.

Only one collateral assignment will be recognized in connection with an insurance contract. Separate assignments shall be executed for American Upland cotton and American-Egyptian cotton, and such assignments may be in favor of the same, or different, assignor(s). An assignment may not be executed with respect to individual farms within a county, but must relate to the entire insurance contract. A release, however, may be executed for a collateral assignment previously signed and a new assignment may be executed in favor of the original assignee or another.

5. Assignments in Connection with Record of Transfer.

Where a transfer of all or a portion of the interest in all or a part of the acreage has been effected and an assignment was executed by the transferor, either before or after the effective date of the transfer, the unliquidated amount of the collateral assignment, executed by such transferor, shall be deductible from any indemnity payment due in connection with the insurance contract. The collateral assignment shall apply only to payments being made under the insurance contract. An assignment executed by the transferee shall not be accepted by the county committee on behalf of the Corporation.

B. Preparation and Execution of the Collateral Assignment.

The following information shall be inserted on the original and four copies of the collateral assignment:

1. The state and county code and identification number.
2. In part I--
 - a. The typed or printed name of the assignor and his full mail address. Determine that the name of the assignor is the same as that shown on the application and notice of confirmation, if issued.
 - b. The name of the county and state in which the assignor resides.
 - c. The amount of the cash consideration.
 - d. The typed or printed name of the assignee and his full mail address.
 - e. The name of the county and state in which the assignee resides.
 - f. The signature of the assignor.
 - g. The signature of a disinterested person witnessing the signature of the assignor.
 - h. The date the collateral assignment is signed by the assignor.
 - i. The signature of the assignee.
 - j. The signature of a disinterested person witnessing the signature of the assignee.
 - k. The date the collateral assignment is signed by the assignee.
 - l. The date and hour the assignment was filed in the county office.
3. In part II.--After the collateral assignment has been examined by a representative of the county committee and found to be acceptable to the Corporation, a member of the county committee shall sign in the space provided in part II. The date and place of signature shall also be inserted.

The facsimile signature of the Manager and the handwritten countersignature of a member of the county committee constitute approval of the assignment by the Corporation. This approval shall not create in the assignee any right other than that derived from the assignor.

C. Notation of Assignment.

In every case where a collateral assignment is executed, a notation shall be placed on the related county office copy of the insurance application in order that the collateral assignment may not be overlooked at the time the first statement in proof of loss executed in connection with the insurance contract covered by the collateral assignment is submitted to the office of the state committee.

D. Disposition of Assignment.

The collateral assignment, together with attachments, if any, shall be filed in the county office since, in the event of crop loss, these forms must be examined to ascertain the status of the indebtedness. If the indebtedness has been fully liquidated, the collateral assignment shall be retained in the county office. However, if there is still an amount due the assignee at the time of loss, the original and one copy of the collateral assignment with attachments, if any, shall be forwarded to the office of the state committee with the first statement in proof of loss submitted in connection with the insurance contract covered by the collateral assignment.

E. Execution of Part III of Assignment.

1. If a statement in proof of loss is submitted in connection with the related insurance contract, the assignee shall execute the original and four copies of part III of the same or another collateral assignment form, indicating therein the amount of indebtedness still undischarged by the assignor. However, in the event the indebtedness has been fully liquidated at the time of loss, a memorandum of release prepared in accordance with the instructions given below in paragraph 3 will serve the same purpose as the execution of part III of the collateral assignment.
2. If part III of another set of the collateral assignment has been executed, a copy shall be transmitted to the assignor, a copy transmitted to the assignee, and the original and two copies attached to the respective original and two copies of the collateral assignment which have been retained in the county office.
3. Memorandum of Release of Assignment. --When the indebtedness with respect to which the assignment was given is paid or otherwise discharged prior to the time an indemnity payment is made by the Corporation to the assignor, a memorandum of release may be executed in lieu of part III of another collateral assignment. This memorandum of release must be prepared in writing setting forth the name of the assignor and his full mail address and the place and date of execution and must be signed by the assignee in the presence of a disinterested person who shall sign the memorandum as a witness to the assignee's signature. This memorandum of release shall be attached to the copies of the collateral assignment filed in the county office and no further action with respect to the related collateral assignment need be taken.

SECTION VII. TRANSFERS OF INTEREST AND/OR ACREAGE

A. Notice of Transfer.

1. The cotton crop insurance regulations provide that any indemnity payable in connection with a loss sustained on an insured crop will be payable to the person(s) having an interest at the beginning of its harvest or time of loss, whichever occurs first. Therefore, the insured should notify the Corporation in writing at the office of the county committee, concerning any transfer of acreage or interest in the insured crop to another person(s) which occurs after the beginning of the planting of such crop.
2. Since insurance attaches to the cotton crop at the time of planting thereof, in the event a transfer occurs before the beginning of the planting of the crop, such transferred interest will not be covered by insurance unless the person acquiring such interest has filed an application with the county committee. Such application must be filed in the county in which the acquired interest is located and on or before the closing date for accepting applications.

B. Record of Transfer.

1. The record of transfer will be used in determining the person who may be entitled to an indemnity payment and as a basis for the amount of the premium to be collected from the transferor and transferee.
2. Where a transfer of all or a portion of the interest, a transfer of an entire interest in a portion of the acreage, or the transfer of a part of the interest in a portion of the acreage is effected after the planting of the cotton crop, a record of transfer shall be prepared by the county committee based upon the information submitted by the insured, or upon other reliable information.
3. Where a transfer of interest or transfer of acreage is effected, a separate record of transfer shall be executed with respect to each insurance unit affected by such transfer and covered by the cotton crop insurance contract.
4. Preparation of Record of Transfer.--The following information shall be inserted on the original and two copies of the record of transfer:
 - a. Enter the applicable information in the spaces provided above item 1 of the form.
 - b. Item 1 shall be used to record a transfer of all or a portion of the interest in the entire insured crop. When item 1 is applicable:
 - (1) Enter in the first space the original percent interest of the transferor in the cotton crop.
 - (2) Enter in the second and fourth spaces provided the percent of such interest that the transferee and transferor, respectively, have in the cotton crop after the transfer is effected. The word "Cotton" shall be entered in the third and fifth spaces.
 - c. Item 2 shall be used to record a transfer of the entire interest in a portion of the cotton acreage. When this item is applicable:
 - (1) Enter in the first space the word "Cotton."
 - (2) Enter in the second space the number of acres in which the entire interest is transferred.

d. Item 3 shall be used to record a transfer of a part of the interest in a portion of the cotton acreage. When this item is applicable:

- (1) Enter in the first space the word "Cotton."
- (2) Enter in the second space the figure which represents the percentage interest in the acreage transferred.
- (3) Enter in the third space the number of acres in which a part of the interest has been transferred.

There will be very few cases where more than one of the items on the record of transfer will be used in connection with a transfer of interest or acreage on any one insurance unit.

e. The certification on behalf of the county committee shall be evidenced by the signature of a county committeeman.

SECTION VIII. FORMS USED IN CONNECTION WITH THIS PROCEDURE AND DISTRIBUTION THEREOF

A. The Following Forms Will Be Used in Connection with This Procedure:

Cotton Crop Insurance Regulations

Part I-C of County

Procedure Manual County Yield and Rate Procedure

Form FCI-2 Agreement

Form FCI-303-C 1943 Cotton Listing Sheet

Form FCI-312-C Application for Cotton Crop Insurance

Form FCI-312-CE Application for American Egyptian Cotton Crop Insurance

Form FCI-312-C, Application for American Upland Cotton Crop Insurance
Revised

Form FCI-13 Receipt

Form FCI-15 Transmittal

Form FCI-16 Acknowledgment of Collections

Form FCI-218 Notice of Confirmation

Form FCI-220 Collateral Assignment

Form FCI-221 Record of Transfer

B. The Following Distribution Shall Be Made of the Forms Used in This Procedure:

1. Agreement.

- a. Original (white) forwarded to the branch office through the office of the state committee.
- b. Copy (yellow) transmitted to the insured.
- c. Copy (green) filed in the office of the state committee,
- d. Copy (pink) filed in the office of the county committee, with the related form.

- e. Copy (white) retained by the office originating the agreement. This copy shall be attached to the originating office's copy of the related form being corrected.

Note—Before the agreement indicating the corrections is filed, each office shall enter the corrected data on the form being corrected and attach the agreement to such form.

2. Application for Cotton Crop Insurance.

- a. Original (white) forwarded to the office of the state committee for transmittal to the branch office.

- b. Copy (yellow) given to the person who signed the form in item I.

The applicant shall not be given his copy of the application until the certification and acceptance by the county committee has been properly executed.

- c. Copy (pink) retained in the county office files.

This distribution shall also apply to applications for American-Egyptian cotton crop insurance.

3. Receipt.

- a. Original (white) given to the applicant at the time of payment.
- b. Copy (pink) retained in the files of the office of the county committee.

4. Transmittal of Applications.

- a. The original (white) and the state office copy (green) of the transmittal together with the related applications, shall be transmitted on Monday of each week to the office of the state committee.
- b. Copy (pink) retained in the files of the county office.

5. Transmittal of Collections.

- a. Original (white) forwarded daily direct to the branch office as collections are received, accompanied by the collection items.
- b. Copy (green) sent to the office of the state committee.
- c. Copy (pink) retained in the files of the office of the county committee.

6. Acknowledgment of Collections.

This form will be prepared by the branch office.

- a. Original (pink) transmitted by branch office to office of the state committee for forwarding to the office of the county committee.
- b. Copy (green) forwarded by branch office to the office of the state committee.
- c. Copy (yellow) retained in the branch office files.

7. Notice of Confirmation.

This form will be prepared by the branch office.

- a. Original (white) sent to the applicant by the branch office.
- b. Copy (yellow) retained in branch office files.
- c. Copy (green) forwarded by branch office to office of the state committee for filing.
- d. Copy (pink) will be forwarded by branch office to the office of the county committee where it shall be attached to county office copy of the related application.

8. Collateral Assignment.

- a. Original and two copies retained in files of the office of the county committee.

If, in the event of loss, the amount of indebtedness has not been fully liquidated, the original and one copy of the assignment with attachments, if any, shall be forwarded to the office of the state committee with the first statement in proof of loss. However, if the amount of indebtedness covered by the assignment has been fully liquidated, the assignment with attachments, if any, shall be retained in the files of the office of the county committee.

- b. Copy to the assignor.
c. Copy to the assignee.

9. Record of Transfer.

Original and two copies retained in the files of the office of the county committee until the related acreage report is transmitted to the office of the state committee, at which time the original and the state committee copy shall be transmitted to the office of the state committee, together with the related acreage report. The county office copy shall be retained in the files of the office of the county committee.

Where the record of transfer is prepared after the related acreage report has been forwarded to the office of the state committee, the original and state office copy of the record of transfer shall be currently transmitted to the office of the state committee.

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